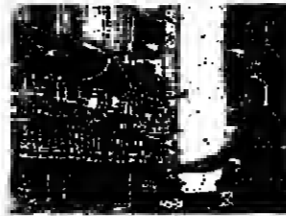


FINANCIAL TIMES

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A decade of European issues assessed
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World Business Newspaper

FRIDAY JUNE 14 1996

Compromise plan may resolve wage dispute in Germany

Germany is close to resolving a dispute over public sector wages after a compromise proposal of a 1.3 per cent wage rise in 1997, preceded by a one-off payment of DM300 (\$194) in 1996 for each of the 3.2m public sector workers, was grudgingly accepted by trade unions. Page 20

Stena Line of Sweden, the world's biggest ferry operator, warned that lower-than-expected volumes on English Channel crossings would cut 1996 profits from 1995 levels. Less than two months ago, the company had forecast an improvement in profits from SKr201m (\$39.7m) in 1995. Page 21

Lloyd's warns on final settlements Lloyd's of London insurance market began the final stage of moves to secure its financial future when it warned that no further changes were possible to an \$3.1bn (\$4.7bn) out-of-court settlement offer to loss-making Names. Page 8

Spanish inflation at 3.6% Spanish consumer prices jumped by 0.3 per cent last month, pushing the year-on-year rate up to 3.6 per cent compared with 3.5 per cent in April. Page 2

Pressure over Bosnian elections plan Diplomats at a summit on Bosnia are struggling to work out a way to enable elections to go ahead by September in spite of numerous violations of the Dayton peace accords. Page 2

Car sales in Europe up 5.8% New car sales in western Europe continued to rise sharply last month, climbing 5.8 per cent to 1,167,500 units compared with May 1995. Page 2

Fininvest, the business empire controlled by former Italian premier Silvio Berlusconi, is seeking talks with anti-corruption magistrates in Milan after months of confrontation. Page 3

Microsoft plans intranet move Microsoft revealed plans to combine its top-selling personal computer software products with Internet technologies to enable businesses to build intranets, internal networks based on Internet standards. Page 24

Baghdad blocks UN search Iraq barred UN weapons inspectors from two more sites around Baghdad as they tried to search for weapons or related materials. Page 6

Argentina probes IBM contracts Argentine prosecutors are expected to begin a criminal investigation into data-processing contracts worth \$513m between IBM and Argentina's inland revenue service after alleging that two contracts signed in 1994 were overpriced. Page 4

Stork, the Dutch industrial services company, said it was likely to buy parts of aerospace group Fokker, which went into bankruptcy in March. Page 21

Fewer asylum seekers in western Europe Asylum applications to western Europe dropped by 11 per cent to 290,000 in 1995, the EU said. Western Europe, Australia, Canada and the US received a total of 469,000 applications.

Son held over Abiola shooting The Nigerian police have detained the eldest son of jailed opposition leader Moshood Abiola in their investigation of the murder of his wife, Kudirat Abiola, who was killed by unknown gunmen in Lagos last week.

Swedes against joining EU Sweden's support for EU membership has fallen. A poll found that 60 per cent of the 3,673 people questioned would vote against joining while only 36 per cent would vote in favour, with 13 per cent undecided.

Three die in Japan air crash



Rescue services fought a fire in the tail section of a Garuda Indonesia aircraft (above) which failed to take off from Japan's Fukuoka airport. Three of the 275 people on board were killed. Page 7

Bulgaria beats Romania Euro 96 blow Bulgaria beat Romania 1-0 in their group game at Newcastle, north east England. Romania had already lost 1-0 to France and cannot now reach the quarter-finals.

STOCK MARKET INDICES		GOLD	
New York S&P 500	5,699.00 (-0.49)	New York Gold	338.50 (86.15)
Dow Jones Ind Av	5,699.00 (-0.49)	London	334.75 (84.5)
NASDAQ Composite	1,225.13 (-10.34)		
Europe and Far East		DOLLAR	
CAC	2,128.20 (-11.09)	New York S&P 500	5,699.00 (-0.49)
DAX	2,857.47 (-1.41)	DM	1,829.50
FTSE 100	3,761.7 (-7.3)	FF	5,182.50
Nikkei	22,022.40 (-22.48)	SFR	1,298.00
		Y	108.75
US LUNCHTIME RATES			
Federal Funds	5.25%	London	1,829.50 (1,534.9)
3-month Treas Bill	5.2125%	FF	5,182.50 (1,538.3)
Long Bond	6.5%	SFR	1,298.00 (1,282)
Yield	7.1775%	Y	108.75 (108.475)
OTHER RATES			
UK 3-mo Interbank	5.5%	DM	2,342.2 (2,378)
UK 10 yr GR	6.5%	Tokyo close	Y 108.15
France 10 yr OAT	6.2%		
Germany 10 yr Bund	5.75%		
Japan 10 yr JGB	5.5225%		
NORTH SEA OIL (August)			
Brent Dated	\$17.94 (18.23)		

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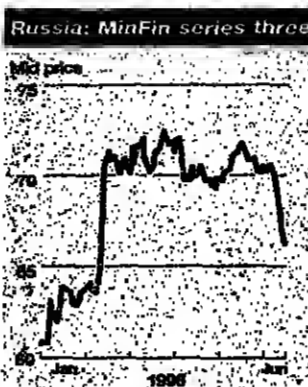
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Investors and banks face losses of up to \$100m as securities frozen Chaos over stolen Russian bonds

By Nicholas Denton in London and Chrystie Freeland in Moscow

Russia's debt markets have been thrown into turmoil by the discovery that many of the government bonds in circulation are stolen and investors in them face potential losses of up to \$100m. Western investment banks such as Salomon Brothers and CS First Boston, and many of their clients, face significant losses on the bonds because the Russian authorities have frozen them until their ownership can be established. The deepening uncertainty over ownership - combined with an unsympathetic response to investors from the Russian government - threatens to undermine the credibility, not only of the bonds affected, but Russia's entire borrowing programme. Up to 1 in 100 of the notes,

issued by the Ministry of Finance in 1993 and denominated in dollars, may be affected, investment bankers involved in the crisis estimate. Some of the bonds were stolen in Chechnya during the separatist war which raged in the Russian province last year. Salomon Brothers, which has already sold over \$700m of the "MinFin" bonds internationally, has halted its selling campaign and has told clients it will cover any losses they suffer. Other investment banks have also warned customers. Trading in the Russian government bond market threatens to seize up as western investment banks such as Deutsche Morgan Grenfell and Bank of America said yesterday they were no longer quoting prices in the bonds. Western traders said the withdrawal of investment banks, which had provided much of the market liquidity, had helped



push the price of the bonds down 6 per cent within a week, to close yesterday at 66. Mr Alex Knaster, head of CS First Boston's Russian operations, said: "The Russian authorities should be very concerned because this undermines

the very security of Russian government securities. It could cast a shadow, not only on the MinFin paper, but on other Russian government securities as well." Mr Knaster, and other western investment bankers, said the problem could undermine the London Club negotiations on the rescheduling of Russia's \$33bn commercial debt, and the country's planned debt Eurobond. Uncertainty about the ownership of bonds compounds the concern of investors about Russia's political direction as it approaches presidential elections this Sunday in which President Boris Yeltsin's economic reform programme faces its biggest test. Ministry of Finance bonds were issued to compensate Russian organisations for hard-currency deposits which were seized by the government, but western investors have subsequently invested in the market. Of about

\$5bn of bonds issued, about \$2bn are thought to be in western ownership. In the case of their known western financiers, a Russian bank in June 1994 issued bonds to Grozny Chemical Factory, in the Chechen capital. These bonds were stolen in 1995, according to Ministry of Interior documents, but the thief continued to collect interest. The concern of western investment bankers is that the Ministry of Interior has on at least four further occasions frozen new batches of bonds. An investment banker involved in the crisis said: "It's getting crazy, it started off with just a few million concerned, but it just keeps getting bigger and bigger."

Lex, Page 20
Heavyweight makes his stand, Page 19

Markets to stay open longer when Emu begins

By Gillian Tett in London

Traders in Europe's financial markets face a sharp increase in their dealing hours when European monetary union starts later in this decade. European central bankers have now broadly agreed that trading for Emu's settlement systems and money markets will be lengthened to about 11 hours. Under the plans, markets would probably close at about 6.30pm - a sharp change for traders in many continental countries. Money markets in Germany and Austria, for example, close early in the afternoon, while in France and the UK domestic operations are usually over by late afternoon. Mr Hermann Rempferger, chief economist at BHP bank in Frankfurt, said: "This increase in opening hours would be a significant step to moving to a more open system. It might mean banks will have two shifts of traders." The agreement to lengthen hours comes as European central bankers prepare the new euro settlement system, known as Target, which will start operations in 1999. The hours of domestic payments systems, and the associated money markets, vary widely between European countries. However, central bankers agree it will be essential to keep uni-

form opening hours for Target. Scandinavian countries and Germany wanted to keep these relatively short. However, the UK and France advocated a longer trading period, to cope with the EU time zones, and to co-ordinate with Asian and US markets. Individual countries will determine precise hours for money market operations but in practice they will be under pressure to follow Target's hours, even in countries that stay outside Emu. The proposals are likely to prove controversial in some European countries. Mr Cedric Pauwels, a trader at Bank Brussels Lambert in Belgium, said: "Officially we are not allowed by the unions to work very late." Meanwhile, Mr Per Falck, a trader in Skandinaviska Enskilda Banken in Stockholm, said: "I can't see much point in keeping the market open later in the afternoon - it will make the preparatory and completion work longer." Nevertheless, Mr Johannes Wengner, head of securities at the Austrian bank Raiffeisen Zentralbank Osterreich in Vienna, pointed out that trading hours were already growing as markets became more global. Some banking officials hope the longer hours will reduce fluctuations in market interest rates, since there will be more time to solve liquidity problems.



Nato secretary-general Jevier Solana (right) and French defence minister Charles Millon at Nato's Brussels headquarters, where defence ministers opened a meeting to review the work of the Bosnian peace mission and begin reforms to give Europeans a greater role in the organisation Bosnia poll, Page 2

Fairchild to cut up to 1,000 jobs at Dornier Luftfahrt

By Wolfgang Münchau in Munich

Fairchild Aircraft of the US is cutting up to 1,000 jobs, nearly half the workforce, at Dornier Luftfahrt, the German regional aircraft maker in which it recently bought a majority stake from Daimler-Benz Aerospace. Mr Carl Albert, chairman and majority owner of Fairchild, yesterday said Dornier Luftfahrt could return to profit by 1998, after losing DM500m (\$295m) last year on turnover of DM1bn. The company employs 2,200 staff at a plant in southern Germany. Substantial job losses were expected after Fairchild's takeover, but the scale of the cuts is among the largest seen recently among German companies struggling to improve their international competitiveness. Mr Albert said at a press conference in Munich: "The Dornier 328 is the best aircraft in its field in terms of performance, low noise, and passenger comfort, and this is what we are

attracted to. Our challenge is to reduce the cost of production." Under the deal with Daimler-Benz Aerospace (Dasa), Fairchild has taken an 80 per cent stake in Dornier Luftfahrt. As a condition the US group agreed to keep the German production plant in operation until the end of the decade. Mr Albert said the terms of the agreement were "subject to a confidentiality clause". Dasa has said it would pay Fairchild up to DM300m to cover losses and redundancy payments. For Daimler-Benz, the sale formed part of a large-scale programme to shed loss-making subsidiaries. "We want to prove that it is possible to be competitive manufacturing aircraft in an intelligent network between the US and Germany," Mr Albert said. The final assembly of the 33-seater Dornier 328 would remain in Germany, while the administration and support would be run centrally from San Antonio, Texas, where Fairchild has its headquarters. He said Fairchild

also had plans to introduce a 50-seater version of the 328. Mr Albert said he intended to employ between 1,300 and 1,400 staff in Germany. He observed that "in America, our staff work 2,050 hours a year, 40 hours a week, with only four paid holidays a year in addition to vacation. It's very different from the rules that you are accustomed to here in Germany." In spite of the scale of the job losses, Dornier's works council supported the Fairchild takeover, mainly because of the lack of suitable alternatives. Fairchild is an unquoted company whose main product is a 19-seater aircraft. It is thought to be in good financial health, although few hard figures are available. Dasa finally received the go-ahead for the deal at a shareholders' meeting last week, although minority shareholders in Dornier have threatened to sue. Lex, Page 20

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and
Department of Social Security

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سكنا من الاجل

Parties joust over Russian 'vote rigging'

By Sander Thoenes in Moscow

Russia's Communist party is so distrustful of the official vote count in Sunday's presidential elections that it has pledged to send two volunteers to each of the 95,000 polling stations to keep a separate record.

The vote, probably followed by a run-off between the two leading candidates in early July, marks the first time Russians have had the chance of removing their ruler peacefully. But both government officials and the opposition have predicted the tally will be falsified and warn that civil war could follow.

Fears of falsification were exacerbated last week when General Pavel Grachev, the minister of defence, announced that his offshore navy had unanimously backed Mr Yeltsin. Under Russian law no ballot box is to be opened until all the polls close on Sunday night.

"I think the election results will be rigged," said Mr Viktor Ilyukhin, a prominent Communist member of parliament, earlier this week. "I don't think we'll elect a president. He will be appointed."

Western observers fear that in the two-week period during which the official vote will be collated, the Communists could claim victory based on their own count, precipitating a crisis if the results do not bear out their expectations.

Polls will open on election day at 8am and close at 10pm local time. In a country with 11 time zones, most voters in the Pacific coast town of Vladivostok will have cast their ballots by the time their fellow citizens in Kaliningrad, on the Baltic coast, line up at the polling station.

Only when the booths close there can the results in the Far East and exit polls in the rest of the country be broadcast.

The minimum required voter turnout for the elections is 50 per cent, but at least two thirds of the 107m eligible Russians are expected to take part. True to Soviet tradition of 98 per cent turnouts, election officials will bring portable ballot boxes to invalids, a practice that critics say allows for ballot stuffing.

The winner should receive more than 50 per cent of the ballots cast, and that may be difficult as the latest polls show Mr Boris Yeltsin, the front-runner, at just 52 per cent in a run-off vote against his Communist rival, Mr Gennady Zyuganov. Practice has shown that Communist voters are much more likely to go to the polling station.

If no candidate wins 50 per cent of the vote outright, the rather vague election law stipulates that a run-off vote should be held no later than 15 days after the results of the first round are published. This vote has been tentatively scheduled for July 7, but one presidential aide has caused confusion by calling for a vote on July 3, a Wednesday, to allow Russians to spend their summer weekend at their summer homes.

If Mr Yeltsin were to lose the elections, the president-elect would find there is no lawful process for the transfer of power. Mr Yeltsin has yet to sign a draft law, passed by both chambers of parliament, that would have the new president sworn in within 30 days of his election.

Heavyweight, Page 19

Media place glasnost on ice

Sander Thoenes and John Thornhill on Russian election propaganda

At least one of Lenin's observations still holds true in the new Russia: "There is no such thing as freedom of the press. There is only freedom for the rich to deceive the oppressed and exploited masses."

A decade ago Mr Mikhail Gorbachev, then general secretary of the Communist Party of the Soviet Union, gave journalists a taste for freedom of the press when he launched a careful campaign for more openness, or *glasnost*, in the mass media. Five years ago journalists clamoured for full independence and vowed that objectivity was their ultimate goal.

Another five years later, these same journalists are doing one better on the Soviet propagandists of yore. Newspaper, radio and television journalists have dropped all efforts at fair reporting, devoting their pages and airwaves to promoting their favourite candidate in the election for president on Sunday.

"There is a propaganda campaign going on. There is outright propaganda, and subtle propaganda aimed at the intellectuals," says Mr Sergei Chugayev, political reporter at the respected daily newspaper *Izvestia*. "That's only natural."

Like most mass media, *Izvestia* favours Mr Boris Yeltsin and vilifies his communist rival, Mr Gennady Zyuganov. "We are united in the face of a common threat," says Mr Chugayev, who focuses his reports on highlighting rifts within the Communist party. "We are more opposed to the Communists than we are in favour of the president. I would not write anything right now that would hurt him. We leave that for after the elections."

"Journalism has become more subjective in recent months. That is bad but it's unavoidable," says Ms Tatyana Malkina, who writes glowing reports on Mr Yeltsin's campaign for the independent daily *Segodnya*. "There is not one Russian journalist who looks at the elections as just some neutral topic. After all, they could radically change things around here."

"I'm out under pressure from anyone," adds Ms Malkina. "It's more a matter of personal loyalty - when you feel your civic duty outweighs your professional duty."

Pro-Yeltsin bankers and businessmen own or sponsor most national dailies, including *Segodnya* and *Izvestia*, and two of the three nationwide television stations. The other state-owned station is fully state-owned and has excelled in promoting Mr Yeltsin.

Mr Igor Malashenko, president of the country's only private television station, earlier this spring joined the president's campaign team.

His station is owned by a banker and the chairman of Russia's gas monopoly Gazprom, both fervent fans of the president.

"Our regional mass media are in the hands of the local government," says Mr Alexei Frolov, a media expert who monitors the regional press. As mayors and governors still control access to paper supplies and state subsidies for the impoverished local newspapers, Mr Frolov says "the fate of the elections in the regions depends on the views of the local leadership".

Mr Yeltsin has an edge here because most governors and mayors are his appointees, but says Mr Frolov, "many bureaucrats are pro-Zyuganov".

While *Izvestia* and *Segodnya* may be accused of a subtle bias, other papers are hitting well below Mr Zyuganov's belt. One free sheet, distributed around Russia, had a doctored photo of Mr Zyuganov appearing to deliver the Nazi greeting. The heading: "Zyug Hell".

Communist party officials have complained of a "dirty tricks" campaign against Mr Zyuganov. Last month *Komso-*

molstaya Pravda, a racy broadsheet newspaper sponsored by Gazprom, published what it claimed was a leaked version of Mr Zyuganov's economic programme.

It included alarming proposals to force Russians to exchange their US dollar savings into roubles at a disadvantageous exchange rate, and bore no relation to Mr Zyuganov's official programme, released later in the month.

Last week, *Nezavisimaya Gazeta*, which translates as Independent Newspaper, ran an anonymous essay predicting civil war if the Communists came to power. Mr Zyuganov said he had appealed to the General Prosecutor to press libel charges.

"It's done rather crudely here, but it works," says Mr Frolov, citing audience polls on the mass media to dismiss suggestions that communist-bashing may backfire. "Clinton may play the saxophone, but something like that would only irritate here. The closer to the old-style communist propaganda, the better it sells in the regions."

Rather than citing Lenin, Mr Chugayev prefers to quote Joseph Goebbels, Hitler's minister for propaganda: "If you repeat a lie often enough, people will start to believe it."



"What are your complaints?" asks the centrefold of a full-colour newspaper that has begun mysteriously appearing in mail-boxes throughout Russia, writes Chrystia Freeland in Moscow. Vebemently anti-communist, the newspaper *God Forbid!*, whose masthead pledges to describe "what could happen in Russia after June 16", features Mr Gennady Zyuganov, the Communist presidential candidate, as a surgeon holding scalpels shaped like a hammer and sickle. A group of prominent Russian journalists have identified themselves as the editorial board, and said the tabloid was funded by President Boris Yeltsin's supporters. Mr Zyuganov has tried to look on the bright side. "If three television channels and all the big newspapers aren't enough for Mr Yeltsin, then things can't be going quite as well as he claims," Mr Zyuganov said.

Slovenia pulp plant sale to be renegotiated

By Gavin Gray in Ljubljana

Nationalists have forced the Slovenian government to renegotiate the sale of the country's largest pulp and paper factory to a Czech company, to fend off protests from those angered by its privatisation to a foreign group.

On Wednesday parliament rejected a motion to nationalise the bankrupt company, Videm Krsko, but Mr Metod Dragojc, minister of economic affairs, said the government would try to raise the sale price. It has not yet decided whether to open new talks with ICEC Holding, the Czech company which won a tender in March for Videm, or to call for new bids.

ICEC offered DM35.5m (\$23m) for Videm, which has been in bankruptcy proceedings since 1993 with debts exceeding DM200m. But it has not been able to take control of the company or visit the premises because of a legal challenge from the management, which submitted a lower bid and wants the company to stay in Slovenian hands.

But the idea of a Czech company buying Videm was

greeted badly in Slovenia, where foreign companies already own two large paper and cardboard plants near the capital Ljubljana. Mr Zare Pregelj, a deputy from the opposition Slovenian People's Party, described the pending sale as "economic capitulation". Delo, Slovenia's highest circulation newspaper, speculated in March that ICEC would close down Videm and ship its equipment to Ukraine.

Under pressure from nationalists, the Slovenian government became involved in the dispute in April when it asked ICEC to sign a contract committing itself to future investment, employment and improving the environment at Videm, which is a big polluter. Mr Jaroslav Dostal, president of ICEC, says he was happy to do so, since this already formed part of its business plan.

ICEC, founded in 1988 by Mr Dostal, has acquired pulp and paper facilities in the Czech Republic and last year recorded turnover of \$180m. Acquisition of Videm would be its first investment abroad and forms part of a strategy of expanding throughout central and eastern Europe.

Fininvest seeks to woo magistrates

By Robert Graham in Rome

Fininvest, the business empire controlled by former premier Silvio Berlusconi, is seeking to establish a dialogue with anti-corruption magistrates in Milan after months of bitter confrontation.

The move coincides with the build-up to the flotation next month of some 20 per cent of Mediaset, the company formed last year to own the TV interests of Fininvest.

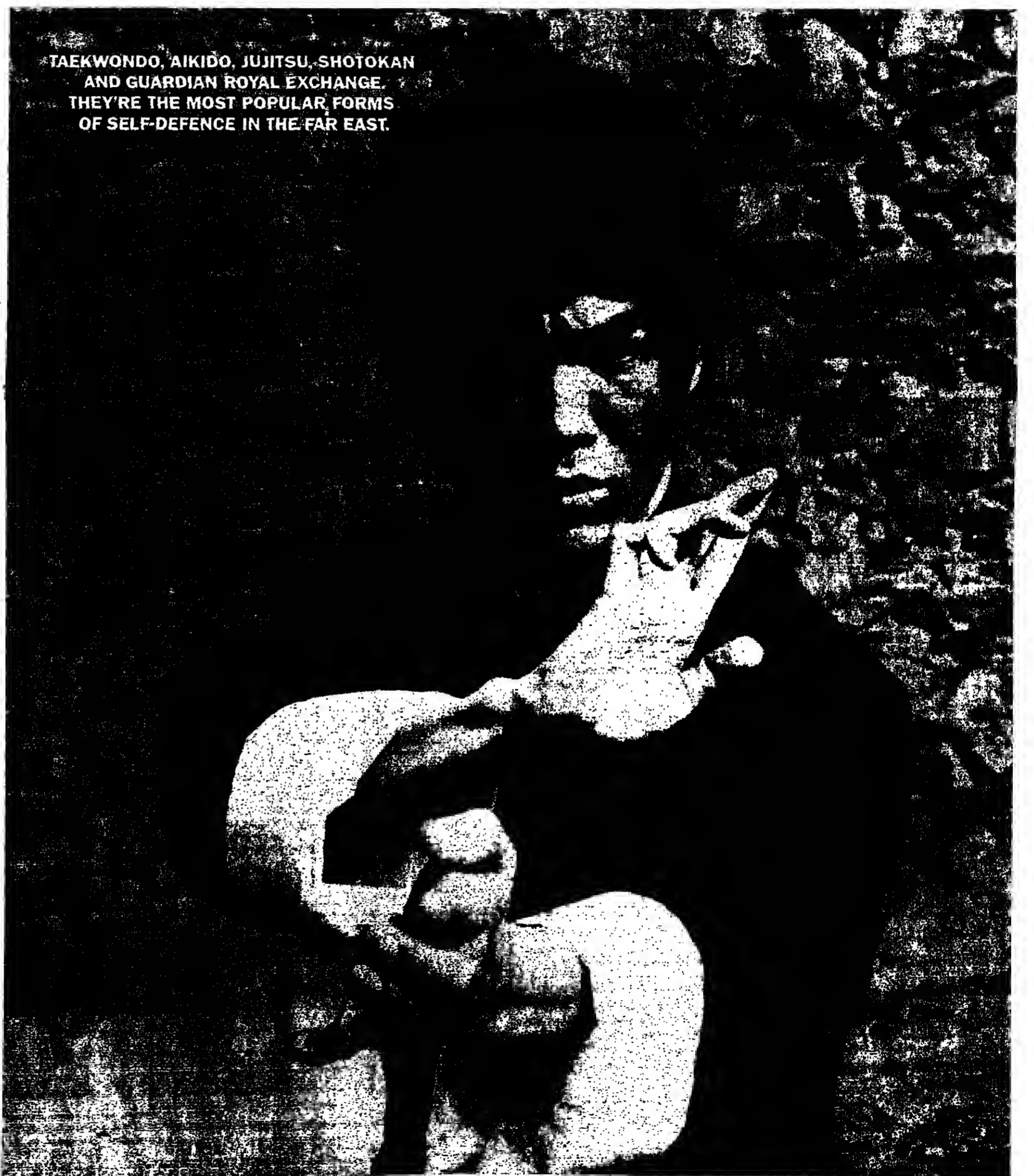
The most striking evidence of this new approach has been the voluntary return to Italy of Mr Giorgio Vannoni, in charge of Fininvest's offshore companies and against whom two arrest warrants have been outstanding.

The 50-year-old Fininvest manager handed himself over on Tuesday to police in Milan after refusing to return to Italy since November 23 when the first arrest warrant was issued. Prof Ennio Amodio, the chief criminal lawyer acting for Fininvest, said yesterday Mr Vannoni's return

marked an important turning point and was part of the group's strategy to present a clean sheet in advance of the Mediaset flotation.

Fininvest refused to confirm whether Mr Vannoni's decision to co-operate had been negotiated in advance with Milan magistrates. But those familiar with the operation of the Milan magistrature said yesterday it was unlikely a Fininvest executive who deliberately stayed out of the country for seven months to avoid arrest should have come back to face immediate imprisonment without a some prior arrangement. Similar arrangements are reportedly under discussion with two other executives of Mr Berlusconi's group under arrest in Monte Carlo since May 13.

A big shake-up is under way in Fininvest's organisational structure. This could also include the removal from the Fininvest board of persons under investigation for alleged corruption by Milan magistrates.



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NEWS: THE AMERICAS

Argentina to probe more IBM deals

By David Pilling in Buenos Aires

Argentine prosecutors were yesterday expected to begin a criminal investigation into data-processing contracts worth \$513m between IBM and Argentina's inland revenue service (DGI) after allegations that the two contracts, signed in 1994, were overpriced and awarded in disregard of standard government procedures.

of having defrauded the Argentine state in a \$248m contract with state-owned Banco Nación. IBM, which sacked its top directors in the country last September, admits that "serious management errors" occurred, but denies it paid bribes to win the Nación contract.

between the DGI, IBM and local group Banelco were "grossly overpriced". They were also awarded directly under an emergency decree, circumventing requirements for an international tender.

practice, with clear indications of corruption." In both cases, IBM sub-contracted Consad, an Argentine information-services consulting company. In the Nación contract, Consad, through related company CCR, charged IBM \$37m for a computer back-up system that was never required. It is alleged some of this money was used to pay bribes to government officials.

broke, President Carlos Menem's deputy cabinet secretary. "IBM stands by the contract with the DGI," a company spokesman said yesterday. "We believe it was a fair price and we have provided services as required by the contract."

US retail sales shrug off rates rise

By Michael Prowse in Washington

US retail sales rose 0.8 per cent last month and 5.5 per cent in the year to May, providing further confirmation of a strong economic rebound, official figures indicated yesterday.

The increase reflected the strength of car and home sales, which soared in spite of a sharp increase in long-term interest rates.

Car sales rose 2.1 per cent last month, after a decline in April. Sales of building materials and furniture, which are closely tied to home sales, rose 2.5 per cent and 1.6 per cent respectively.

Figures for April were revised to show a decline of 0.1 per cent, rather than a decline of 0.3 per cent as previously reported.

The sales gain last month was not quite as strong as Wall Street economists expected, because of weakness in food and restaurant sales. However, it implies growth of consumer spending in the second quarter at an annualised rate of about 3 per cent in real terms.

Many economists expect the Federal Reserve to begin nudging short-term interest rates higher in order to slow growth to a more sustainable pace.

AMERICAN NEWS DIGEST

Court setback for rights lobby

The US Supreme Court yesterday dealt a qualified setback for minorities and civil rights advocates by ruling that race may not be the "predominant factor" in redrawing congressional boundaries.

In a pair of 5-4 votes, the bench found that five congressional districts - three in Texas and two in North Carolina - were not formed in accordance with the constitution because boundaries had been redrawn principally to meet the perceived needs of Hispanic and black voters.

Justice Sandra Day O'Connor, a pivotal swing vote on the bench, wrote: "Our precedents, which acknowledge voters as more than mere racial statistics, play an important role in defining the political identity of the American voter."

But she added that there could be cases where race-conscious re-apportionment was constitutional, even if specifically designed to give minorities a better chance of electing a member of Congress. Only if race could be proved the "predominant factor", ahead of all other legitimate considerations, should a challenge to redistricting be sustained.

Jurek Martin, Washington

Fire destroys another church

A church serving a predominantly black congregation in Enkl, Oklahoma, was destroyed by fire early yesterday and police said the blaze appeared to have been started deliberately.

The fire follows a wave of blazes that have destroyed more than 30 churches across nine southern states in the past 18 months, thrusting the issue of racist violence back into the national spotlight.

President Bill Clinton visited the site of a destroyed church in Greeleyville, South Carolina, on Wednesday to call on Americans "to show the forces of hatred they cannot win".

Law enforcement agencies investigating the rash of burnings have made arrests in 10 cases but have so far found no evidence of a conspiracy.

Guatemala in Mayan accord

Guatemala has ratified an international labour convention on the rights of indigenous and tribal peoples, in an important step towards ending Latin America's oldest civil war.

Ratification of the convention, formally accepted yesterday by the International Labour Organisation, is a key element in United Nations-sponsored talks on ending the 30-year-old Guatemalan conflict. A comprehensive peace accord is expected to be signed in September.

Under the convention, the Guatemalan government guarantees to respect the rights and values of its majority Mayan population and consult them on decisions affecting their economic or social development.

Meanwhile, five central American nations - Costa Rica, El Salvador, Guatemala, Nicaragua and Panama - have signed up for an ILO programme designed to help eliminate child labour. Similar agreements were signed last week by Bolivia and Chile and are planned for Colombia, Honduras, Paraguay, Peru and Venezuela. The ILO says children throughout central America are working in industries, including mining, agriculture and manufacturing, that damage their health and development.

Doubts remain as Samper absolved

By Sarita Kendall in Bogotá

Colombia's Congress has voted overwhelmingly to absolve President Ernesto Samper of any responsibility for receiving drug trafficking funds in the 1994 Liberal party election campaign.

The verdict of the Liberal-dominated Congress was never in doubt. But it has left questions about whether, having won the vote, Mr Samper will be able to govern the country. After two weeks of speeches in the House of Representatives, the debate finished at midnight on Wednesday with a final vote of 111 to 43 in favour of closing the case.

The president cannot be re-investigated for the charges, which included illicit enrichment, fraud and cover-up.

Mr Samper is now expected to argue for national reconciliation and to offer political and economic solutions, with a possible cabinet reshuffle. However, some of the government's main adversaries have already said they will not accept ministries.

Other solutions discussed in recent weeks have included a plebiscite designed to restore Mr Samper's credibility and early elections, though neither of these paths has been received with much enthusiasm.

Business and Conservative party leaders said the congressional decision did not help resolve Colombia's "crisis of governability" or to restore confidence. They also pointed out that, now the president has been exonerated, he can step down with dignity.

"There could be serious confrontation and disaster." A "national restoration movement" with strong support from the Bogotá, Cali and Medellín business communities has proposed a civil disobedience campaign. If the social conflict were to deepen, some analysts believe the military might carry out a "technical" coup to ease the transition to an uncontaminated administration.

US reaction to the congressional decision may come in the form of economic sanctions, following the decertification in March of Colombia's anti-drug efforts and doubts about the impartiality of Congress. Recognising this, the Samper government has put out suggestions - including subsidies - for minimising the effect of higher tariffs on exports to the US.

Trade and financial sanctions or the cancellation of landing rights of Colombian airlines would further alienate the business community from the government, but would also reinforce the manipulative populism that blames the US for conspiring against the president.

Mr Samper still had nearly half the country backing him before the congressional absolution, according to most opinion polls. Although it will be difficult for the president to shake off the taint of drug money, the need to regroup the Liberal party in preparation for 1998 elections will help it to close ranks around him.

The freeing of former president César Gaviria's brother by kidnappers just before the congressional vote could be significant in this process; the smiling embrace of Mr Samper and Mr Gaviria suggest that support - or at least less antagonism - from the Gaviria wing of the Liberal party might be forthcoming.

Dole draws line in abortion rumpus

By Jurek Martin, US Editor, in Washington

Mr Bob Dole has drawn a clear line in the sand this week, telling Christian and cultural conservatives that he will not allow them to hold the Republican party to ransom over the issue of abortion.

Not only is the apparent Republican presidential nominee insisting that the party platform contain a declaration of "tolerance", but he has also begun to criticise leaders of the pro-life movement.

His specific target is Mr Gary Bauer, a former Reagan administration official who now is the vocal head of the Family Research Council, the Washington-based lobby.

When Mr Bauer, along with other religious conservatives, warned of a convention fight against any attempt to weaken the platform's long-standing call for a ban on abortions, Mr Dole responded with a tartness normally reserved for Democrats. "Am I to tell [pro-choice] women that they can't support me because Gary doesn't like it? Give me a break."

The former senator and majority leader, now campaigning across the country as "Citizen Dole", wants his declaration of tolerance attached to whatever the agreed convention language is on abortion, rather than made part of the general preamble to the platform alongside other issues such as taxes and trade.

His new resolve may well have been encouraged by Senator John Warner's easy Virginia primary victory on Tuesday over an opponent strongly supported by the religious right. But Christian conservatives themselves



Bob Dole: new resolve

appear divided, with Mr Ralph Reed, head of the Christian Coalition, expressing sympathy with Mr Dole's espousal of tolerance.

Other commentators, such as Mr Tom Edsall in yesterday's Washington Post, have compared Mr Dole's determination to take on a powerful but divisive party constituency with then candidate Bill Clinton's battle four years ago with the Rev Jesse Jackson, the Democratic counterpart on the left.

The difference may be that Mr Jackson, who has acute political antennae, backed down rather quickly whereas the anti-abortion forces in the Republican party find compromise abhorrent. They may also have the strength in numbers to make the San Diego convention in August just as unmappping to moderate and independent voters as the party's Houston gathering of 1992.

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LEGAL NOTICES The Financial Times plans to publish a Survey on Israel on Tuesday, July 9. For further information, please contact Tina McGorman on +44 171 873 4816, Fax: +44 171 873 3595 or your usual Financial Times representative.

NEWS: INTERNATIONAL

Heineken reach parts other Burundian revenues fail to reach

With aid cut off and coffee prices down, a single brewery is sustaining the economy, reports Michela Wrong

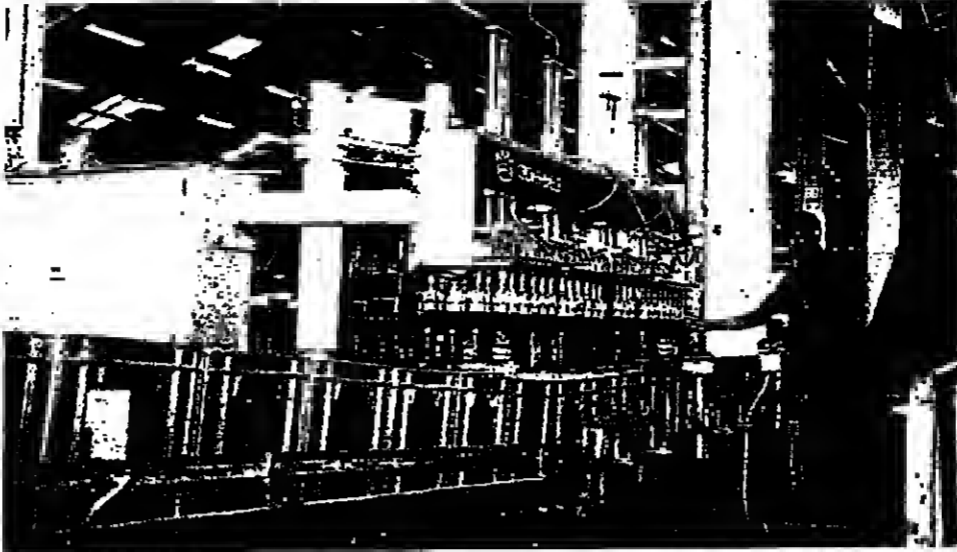
Mr Georges Hanin, Belgian manager of the Brarudi brewery in downtown Bujumbura, deserves every one of the nearly framed industry awards that hang outside his office.

Burundi's shaky economic base

	GDP % change	Inflation %	Budget deficit % of GDP	Total foreign debt
1992	2.0	15.8	-3.1	220bn
1993	-5.3	9.7	-3.4	260bn
1994	-6.0	14.9	-3.4	285bn
1995	-3.0	19.2	-2.5	306bn

Source: Burundi Finance Ministry
* Burundi franc, \$1=252 Burundi francs

'If the brewery did not exist, the country would be in chaos,' admits Mr Salvador Toyi, the finance minister. 'As it is, we wait to receive our cheque from Brarudi before paying salaries.'



The Brarudi brewery. Non-stop production despite strikes, power cuts and death threats

carry out tit-for-tat reprisals, and the disapproval of foreign governments who feel a political elite is not doing enough to reconcile two increasingly polarised ethnic communities.

brought Burundi a much-needed windfall last year, but the market has plunged since then. While output is expected to reach 30,000 tonnes, experts say instability has hit quality and the beans no longer fetch the premium they once enjoyed.

Small wonder, then, that the government keeps forces posted around Brarudi, probably Bujumbura's best-guarded building. Or that, as Bujumbura threatens to become the Sarajevo of Africa - starved of electricity, crippled by curfews - the factory has been turned into a mini-fortress, relying only on what can be provided within its own high, barbed-wire topped walls.

When Hutu rebels attack power lines to the city, the brewery turns on its massive generators. When Tutsi militias call a general strike and halt public transport, management sends buses to fetch workers.

Since water supplies cannot be trusted, the brewery has its own treatment plant. Pipes to pump water direct from Lake Tanganyika are kept on standby. Rice, sugar and malt are stocked in quantities that can last several months, suppliers warned that if they fail to deliver, their contracts will be cancelled.

Despite his pride in the operation, Brarudi's manager chafes at the responsibility being placed on the brewery. The recycling of money - taxes which go to pay soldiers and civil servants, who then spend their money buying beer, giving the brewery funds to pay the taxes - cannot last indefinitely if the country's economic base continues shrinking.

Banking supervisors agree to strengthen standards

By Hilary Barnes in Stockholm

Banking supervisors from 138 countries have agreed to speed up the implementation of minimum standards for the supervision of international banking.

The agreement, reached at the biennial International Conference of Bank Supervisors in Stockholm this week, covers 30 per cent of the world's population and was described as "an important step" by Mr Thomas Padoa-Schioppa, chairman of the Basle Committee on Banking Supervision and deputy director general of the Bank of Italy.

Iraq blocks more arms searches

Iraq yesterday barred United Nations weapons inspectors from two more sites in and near Baghdad as they tried to search for clandestine weapons or related materials, a UN official said, Reuters reports from New York.

Yesterday's confrontation was in addition to two incidents on Tuesday and Wednesday when Iraq barred the UN weapons team from two Republican guard sites.

Mr Ekeus said some inspectors were still standing guard at a facility in Baghdad that they had been barred from entering on Wednesday. They were trying to observe if any documents had been removed.

concealing documents or weapons from his commission and be suspected some clandestine materials were still there.

Savimbi in talks on Angola diamond zone

Talks on the future of Angola's rich diamond provinces, largely left out of the country's peace deal, have been held this week at the bush headquarters of former rebel leader Jonas Savimbi, Reuters reports from Luanda.



Savimbi: reluctant to yield

The discussions at Bailundu brought together Mr Savimbi and Mr Paulino Neto, director of the state-controlled Angolan diamond company Endimata.

had offered Unita at least three options to resolve the diamond issue. They included diamond concessions, the creation of Unita's own diamond company which would have shares in Endimata, the state-owned diamond mining business, and joint projects with international companies.

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CALL FOR EXPRESSIONS OF INTEREST IN PURCHASING THE ASSETS OF "GREEK INDUSTRY OF READY MADE GARMENTS B. ROCANAS BROS. S.A." OF ATHENS GREECE

ETHNIKI KEPHALAIOU S.A. Administration of Assets and Liabilities of 9a Chrysothessalon St., Athens 10560, Greece, in its capacity as Liquidator of "Greek Industry of Ready Made Garments B. Rocanas Bros. S.A.", a company with its registered office in Athens, Greece, the "Company", presently under special liquidation according to the provisions of Article 46a of Law 1892/1990, by virtue of Decision 5217/96 of the Athens Court of Appeal invites interested parties to submit within twenty (20) days from the publication of this call, non-binding written expressions of interest for the purchase of the assets mentioned below, which are being sold as a single entity.

ASSETS OFFERED FOR SALE

The assets offered for sale include a plot of land in the Municipality of Alimos 4, Ancient Theatre Street, the area of which originally amounted to 7,683.4 sq.m., having been reduced to approximately 6,334.35 sq.m. following expropriation, a plant consisting of a basement of approx. 2,153.94 sq.m., ground floor of approx. 4,090.66 sq.m., and first floor of approx. 4,090.66 sq.m., machinery, mechanical equipment, a car, a van, the Company's registered trademark, and any other assets to be found or belong to the Company. It should be noted that the Company plant is leased out to third parties.

SALE PROCEDURE

The Company's assets will be sold by way of Public Auction in accordance with the provisions of Article 46a of Law 1892/1990, (as supplemented by act 14 of 12/2001/991) and subsequently attached) and the terms set out in the Call for tenders for the sale of the above assets, to be published in the Greek and foreign press on the dates provided by law.

SUBMISSION OF EXPRESSIONS OF INTEREST - OFFERING MEMORANDUM

For the submission of Expressions of Interest and for obtaining a copy of the Offering Memorandum, please contact the Liquidator, "ETHNIKI KEPHALAIOU S.A. Administration of Assets and Liabilities", 9a Chrysothessalon St. Athens 10560 GREECE, Tel. +30-1-323, 1484-87, Fax: +30-1-321-7905 (location Mar. Marika Frangakli).

The Financial Times plans to publish a Survey on **Indonesia** on Tuesday, June 25.

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Abortion and housing snags in Habitat II conference

Weary delegates do most of their work behind the scenes

By John Barham in Istanbul

A spectacular fireworks display over the Bosphorus tonight could well be the most vivid impression the 20,000 delegates and journalists take home with them from the United Nations Habitat II city summit in Istanbul, which ends today.

Conference fatigue and Habitat have become almost synonymous. Relatively few heads of state attended, none from big countries. Habitat, the third UN conference in 15 months, is likely to be the last big gathering of its kind for some time.

greater role in providing services as demands on restricted government budgets in both rich and poor countries grow. So it was surprising that US and European utilities, which are developing into multinational corporations with investments in the developing world, were absent.

Women are particularly vulnerable in the developing world because of restricted access to jobs, inadequate mother and child health services and insufficient entitlements to property and inheritance.

RECRUITMENT

JOB: A New York headhunter explains his aggressive approach to replacing insurance executives
A cuckoo's guide to the art of placement

Either cuckoos are very clever or other birds are very stupid. Whatever the case, there seems little dispute that, however unpalatable its parental habits, the cuckoo is remarkably successful at placing its own offspring in others' nests.

Too late do the smitten parents discover that their own brood has been clinically dispatched by an impostor. Many of us tend to sympathise with the hardworking parents but whatever we may think about the cuckoo, it has discovered a successful formula for species survival.

I was thinking about the cuckoo last week when I met Victor Caleo, the headhunter who helped place Michael Crall, the new chief executive of Equitas, the reinsurance company that will take over billions of pounds of asbestos and pollution liabilities at Lloyd's, the London insurance market. Caleo, chief executive officer of the New York-based Michael Scott Consulting Company, specialises in finding people for executive posts in the insurance market.

It is an aggressive form of recruitment (and not, it should be stressed, the technique used at Lloyd's, where Caleo was engaged as a conventional search consultant). But Caleo believes it is justifiable to shake up what he considers a cosy industry, where the boards are too often drawn from the old boy network.

Old boy network

Caleo says: "I follow the industry. I know those companies that are well managed and those that are not. The poor ones target themselves by falling below the standards of excellence. The overvalued CEO spends an inordinate amount of his time befriending his board and not enough

focused on the business in hand."

His methods often meet with disapproval from competitors. "They don't like the way I do business," he says. "My competitors spend a great deal of time making friends and being nice to people. I am focused only on results. I act like a shareholder with a mission and people are taken aback by that."

Caleo is particularly critical of placements where chief executives who have failed in one company find an appointment in another. He accuses some chief executives of deliberately recruiting people with skills inferior to their own so they will not feel threatened.

Caleo buys only small stakes - he says he tries to top the personal shareholdings of the chief executive in a target company. It is an unusual approach and ultimately his record stands or falls by his recruitment success. He calls himself a "dislodgement specialist". Even some who would

baulk at his methods might feel that a little dislodgement is overdue in some UK companies where the directors have spent too much time feathering their own nests.

Although Caleo's approach might be unusual in headhunting, financial institutions are increasingly seeking to influence the appointments, pay and contracts of directors in companies in which they invest.

The extent of this was disclosed in a recent study by John Holland, professor of International Banking and Finance at Glasgow University. He found widespread evidence of institutions seeking to intervene in corporate governance and performance issues.

Increasing scrutiny

Boards appear to be under increasing scrutiny from several quarters. Last week an Industrial Society report criticised the lack of preparation given to boardroom appointees.

Tony Morgan, the society's chief executive, said entrants to boards were receiving "wholly inadequate" preparation. It seems something of an oversight that companies which stress the need for training elsewhere in their workforce forget to apply the same disciplines to directors.

It is almost as if once someone has reached board level he is considered to have reached some divine state of enlightenment which puts him apart from other mortals. Morgan thinks differently: "Top managers are never too old or too busy or too distinguished to learn new skills."

If they believe they are, they might soon find themselves looking over their shoulders at the Victor Caleos of the recruitment industry. Two or three weeks ago I wrote about the difficulties in classifying the achievements of Joe Di Maggio, the great baseball player, using ordinary measures of success. The point was to illustrate the argument that

aesthetic or subjective assessments might sometimes be as useful if not more useful than hard measures of attainment.

Robert Ruggles, of Ruggles Investment Services, in Toronto, has supplied further examples from Di Maggio's career which seem to question whether human resource benchmarking has its limitations. By any normal measure of fitness Di Maggio might never have reached the major leagues because of a knee injury. As Ruggles observes, the supposed impediment never appeared to bother him.

Di Maggio's streak

Di Maggio's 56-game hitting streak, says Ruggles, needs to be viewed against the high quality of his surrounding team mates. Had Di Maggio played for a lesser team, he argues, the opposition would have pitched around him.

Ruggles adds: "He never made a mental error - throwing to the wrong base, trying

for too few or too many bases or missing the out-off man." None of these judgments is counted statistically yet they win games.

Finally, says Ruggles, Di Maggio knew when to quit: "He knew he could not do in the future what he had done in the past, although that still would have been more than almost all other players - a lesson for highly paid CEOs today."

These observations suggest that benchmarking has not yet found a way of classifying Di Maggio's achievements in sporting history. Long may it remain so.

A report from Korn/Ferry International and the London Business School on the central and eastern European recruitment market confirms a number of trends that have been emerging during the last three or four years.

There has been no let-up in demand for expatriate managers. Expatriates filled about a quarter of the managerial post-

ings among the 157 employers in the survey, which covered six countries: the Czech Republic, Hungary, Poland, Romania, Russia and Slovakia. Some 82 per cent of the companies, however, were either foreign owned or joint ventures.

Demand for expatriates has increased in line with demand for local managerial talent as companies become increasingly westernised and competitive. Salary increases for local managers have spiralled, by more than 25 per cent over two years. Marketing, sales, top management, financial and change management skills were found to be in short supply and recruitment methods were becoming more sophisticated.

The central and eastern European labour market, concludes the report, is being divided into the "haves" - those with managerial skills - and the "have nots" - those with redundant skills or with no skills at all.

Human Resource Trends in Eastern Europe can be obtained from Korn/Ferry Career, Orben International, 222 Regent Street, London W1R 6DA, tel 0171 332 3100.

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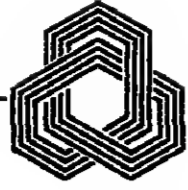
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- As a senior member, will play a major role in the overall investment activities of the Division, formulating and implementing strategy, and contributing significantly to the overall asset allocation process.
- Fundamental aspects of economics with in-depth knowledge of International Equity Markets, with particular emphasis on U.S. and European markets.
- Most likely a numerate graduate, in his mid 30's - mid 40's, with a minimum of 10 years equity investment management experience.

Candidates are expected to be team players with good inter-personal skills and a profit making track record.

In addition, PC skills with Portfolio Management software, and good understanding of spreadsheet and database applications will be beneficial. The candidates will also be required to assist in the preparation of formal reports on market conditions and appropriate strategies.

The candidates are expected to possess excellent verbal and written communication skills. Individuals must have the ability to think independently and to back their own judgment.

Successful candidates will work together with highly qualified and experienced colleagues of different nationalities. They will be offered exciting and rewarding opportunities to participate in the activities of a dynamic group.

The appointment will be for an initial 2 year contract, renewable. In addition to the highly competitive tax-free salary, there is a comprehensive benefits package which includes free fully-furnished accommodation, transportation and education allowances, medicare, relocation expenses and a contributory retirement fund.

Applications in the strictest confidence, giving relevant details of personal and career history and a recent passport size photograph may be sent to:

The Administration & Human Resources Manager
Arab Petroleum Investments Corporation, P.O. Box 448, Dhahran Airport 31932, Saudi Arabia

Assistant Portfolio Manager - Equities

This position reports directly to the Manager - Equities.

- Equity Portfolio Investment / Trading.
- Fundamental aspects of economics with good understanding of international Equity Markets, with particular emphasis on U.S. and European markets.
- Demonstrate good analytical skills and portfolio management abilities.
- Integral team member, providing both research and analytical inputs.
- Talented graduate, in his 30's, with a minimum of 5 years equity investment experience either as an analyst or portfolio manager.

HIGH-LEVEL BANKING SPECIALISTS

To join an insight-driven global team

Working in a dedicated sector-led group, you will help lead PA's thinking globally in the rapidly developing finance industry.

A successful part of PA Consulting Group, a leading international management and technology consultancy, we work with most of the leading financial institutions in the world. In developing relationships with the most senior levels of these institutions, we are seeking to create world leadership in three areas:

- Capital/risk management
- Payments, both infrastructural and institutional
- Electronic delivery

In each of these areas, we are looking for finance sector professionals with a high level of initiative, flexibility and personal credibility, who seek a new, more stimulating challenge in the UK and overseas.

Senior Banking Specialist

You will use your proven sector and business development expertise, and deep understanding of the strategic issues facing clients, to influence key decision-makers and grow this exciting business.

You will need a good first degree and an MBA. Your minimum five years' experience in a highly regarded consultancy, preferably in senior client interface roles, must have a UK focus set against an international backdrop. Experience should encompass at least one of the above areas together with the development and delivery of pragmatic strategies.

Consultants and Analysts

To meet the demand for our services, we are looking for highly mobile, outstanding individuals who have a good first degree and are PC literate. Consultants should have either a business/commercial experience in one of the above areas or a strong technical role in one or more of the following areas:

- Electronic banking
- Electronic payments
- Clearing and settlement
- The plastic cards business/market,

plus an overall understanding of the associated technology and strong analytical and quantitative skills.

Analysts should have either two years' finance sector experience with a strong quantitative risk management/analysis background or be seeking a first position after obtaining a masters in statistics, applied mathematics or economics.

We offer an extremely attractive remuneration package to match your expertise which will include a performance-related bonus opportunity and other blue-chip benefits.

Please send a detailed cv, indicating current salary, and state in a covering letter your level of industry knowledge and business expertise. Write, quoting Ref: CFP 96/1, to Rachel Fennell, PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR.

PA is an equal opportunity employer

PA Consulting Group
Creating Business Advantage

Package up to
FFr 800,000

Global Asset Management Firm

Paris

International Marketing, Vice President

New position in a recently formed team responsible for international product distribution to wholesale clients for this market leader. The firm has an excellent reputation with assets over US\$275 billion worldwide of which US\$60 billion have been originated by the European business. This is an outstanding career opportunity to help build an international client franchise through new distribution channels, joint ventures and private labelling agreements.

THE ROLE

Reporting to the Head of International Wholesale Marketing, handle all aspects of the marketing and execution of the funds distribution process to clients based outside France.

Co-ordinate the various international sales forces in the broader Group providing education on the products and acting as a focal point in handling their needs.

Contribute to the team's strategy and approach through market research into new potential distribution channels and joint venture prospects.

THE QUALIFICATIONS

Bright graduate, aged 28 to 35, with a minimum of three years' experience in marketing or funds distribution in an international environment. English language skills essential and French language fluency preferable.

Sound knowledge of the technical, regulatory and due diligence requirements associated with international funds distribution. Experience in assessing new markets and sales channels preferable.

Excellent verbal and written communication skills with the stature and presence to deal with senior management internally and clients.

London 0113 2307774
London 0171 493 1238
Manchester 0161 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref: FT/2000/66,
16 Chancery Place,
London WC2A 3ER

Highly rated European Bank Senior Credit Analyst Management position

London

£ Excellent Package

Our client is a highly prestigious and profitable European bank with an excellent reputation for strength, stability and quality of service with a well established and growing presence in London. This reputation gives it a competitive advantage in building and maintaining relationships, both domestically and internationally, providing comprehensive treasury and risk management derivative product services.

The bank now seeks to appoint a high calibre professional with highly developed analytical skills. Responsible for managing and leading a team of six analysts focussed on Continental Europe, this highly autonomous role entails:

- Managing the analysis and assessment of potential derivative counterparties, including corporates, financial institutions, insurance and funds counterparties.
- Co-ordination of transactional and limit approvals, working closely with the marketing and trading desks.

- Training and supervision of the team.
- Presenting credit analyses to senior management.

Applicants should have at least 8 years credit analysis experience, with a minimum 3 years in a managerial role. In addition, you should have a sound knowledge of derivative products. You will be a confident self-starter and a strong team player, with excellent interpersonal skills.

This is a superb opportunity for an ambitious individual to work for a leader in the derivative product industry. An attractive package, based on a generous salary, will be offered which will reflect entirely the experience of the successful applicant.

For further details on this outstanding role, please contact Tim Smith at Michael Page City on 0171 831 2000 or write to him enclosing a full CV at Page House, 39-41 Parker Street WC2B 5LH. Fax 0171 405 9649.



Michael Page City
International Recruitment Consultants
London Paris Frankfurt Hong Kong Sydney

Bank Austria

CREDIT RESEARCH: £35-50K + Benefits

Bank Austria is the leading bank in Austria. The Bank is Aaa rated.

The London Branch has an established presence in the corporate structured finance market and we are seeking to recruit two commercially-minded analysts to join the team which specialises in investing in high yield instruments, distressed bank loans and acquisition finance.

The key qualities required will include the ability to quickly assimilate investment concepts, to produce concise analytical reports, and to thrive in an open and multidisciplinary environment. You will be expected to make recommendations to investment managers, credit committee and clients.

You will probably have a background in credit analysis, workouts or equity research. Knowledge of a second European language, particularly German, would be useful but not essential.

If you have the motivation to succeed in an unpredictable and pressurised business, please send your CV for the attention of the Personnel Manager to:

Bank Austria AG
Bank Austria House
32-36 City Road, London EC1Y 2BD



Venture Capital/Private Equity

Investment Executive

This is a unique opportunity for an ambitious executive to join the deal generating team of our client - a leading independent private equity group. The Group has a highly successful acquisition and divestment record; strong institutional backing; and a focus on specific industry sectors across the UK, France, Germany and Scandinavia. It takes a controlling position in all its transactions and adopts a hands-on approach.

This new member of the team will play a key role as a senior deal generator for the Group. This will involve contributing to overall strategic direction through the selection of new acquisition opportunities and taking an active role in deal identification, structuring, financing and completion.

Applicants who are seeking to work in this challenging and dynamic environment should be

graduates with excellent academic qualifications, holding an MBA or professional qualification.

They must have a proven track record of achievement in a similar environment (equity house, mezzanine house, structured finance, mergers and acquisitions, or strategic consulting) and possess strong creative, analytical and interpersonal skills. A second European language would be advantageous.

A most attractive remuneration and incentive package will apply and there are excellent long-term prospects.

Interested candidates should forward a copy of their CV and details of current remuneration quoting reference AJ100, to Tony Saw at KPMG Selection & Search, 1-2 Dorset Rise, Blackfriars, London EC4Y 8AE, indicating any companies to which they would not want their CV forwarded.

KPMG Selection & Search

SPECIALISTS

total...



Bank Analyst

Excellent...

ate Equity

SENIOR COMMODITIES CREDIT ANALYST

to £50,000 + BENEFITS

A global commodities trading group requires, in London, a Senior Credit Analyst to assess and manage their global (particularly South East Asia) counterparty risk.

Reporting to the Finance Director, the role will include the analysis and control of global credit risk arising from the group's metals derivatives, FX and physical trading activities. This will involve all aspects of researching and preparing credit applications, advising on relevant policies and procedures and developing systems for managing counterparty risk.

The candidate will have a formal credit training and probably be a qualified accountant or banker. Experience in derivatives is essential and exposure to South East Asia and commodities highly advantageous. Excellent communication and analytical skills are required for this demanding role.

Working closely with dealers and senior management you will play an important role in developing the group's global risk management capability.

Please send CVs with covering letter to Roger Manning, Executive Consultant, quoting reference no. P30214

Jonathan Wren & Co. Limited
Financial Recruitment Consultants
No 1 New Street, London EC2M 4TP

Telephone 0171-623-1266
Facsimile 0171-626-5257
CompuServe 100446,1511

b a n k i n g

Les Echos

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone: Toby Finden-Crofts oo +44 171 873 3456

SGS Société Générale de Surveillance Holding S.A. (the SGS Group) founded in 1878, with headquarters in Geneva, Switzerland, is the world's largest organisation in the field of testing, inspection, verification and quality systems certification. The Group operates in over 140 countries with 335 subsidiaries, 1220 offices, 342 laboratories and 35,000 employees.

The Group's worldwide operations have expanded rapidly during the last years. Given the increased audit universe, we are looking for complementing our Internal Audit Function with high calibre and dynamic individuals for the position of

INTERNAL AUDITOR (M/F)

Tasks and responsibilities

- Performing financial and operational review missions worldwide in the SGS Group universe
- Advising on improvements of operations in terms of minimising risks, improving quality, efficiency and effectiveness
- Understanding operational, local and business considerations
- Special projects, including due diligence work

Profile of the suitable candidates:

- Qualified auditor (CA, CPA, CIA, Expert comptable diplômé)
- Two or more years relevant work experience in an international environment after gaining audit qualification
- Fluent English and either French or Spanish essential; any other language desirable
- Willingness to travel up to some 80% and to undertake this role for a number of years
- Excellent communication and writing skills
- Age bracket: 25-30 years
- Swiss nationality or Swiss C work permit

For successful candidates this position, based in Geneva, clearly offers exciting career prospects in the SGS Group.

Interested candidates should send their application letters and curriculum vitae to SGS Société Générale de Surveillance S.A., Human Resources Division, P.O. Box 2152, CH-1211 Genève 1

Interviews will take place late June / early July.



Kleinwort Benson

Member of the Dresdner Bank Group

European Insurance Analyst

Competitive City Salary

Kleinwort Benson became a member of the Dresdner Bank group in 1995. The combined skills and resources of the two groups have created a leading force in international investment banking with a long standing reputation for high quality equity research and powerful distribution.

An exciting opportunity now exists for a well qualified, self-motivated individual to join their successful team of European insurance analysts. You will be aged between 28 and 40 with a minimum of 5 years experience in the insurance sector and possess the following skills:

- ACA/FIA/ACI qualified
- analytical mind
- high degree of initiative and creativity
- In-depth knowledge and understanding of life assurance and/or general insurance
- excellent written and verbal communication skills
- performance driven
- team orientated

For an initial discussion in confidence please contact us quoting reference 5419 at 20 Cosmo Lane, London EC4R 3TE. Telephone 0171 236 7307, or Fax 0171 489 1130, or E-mail ascovell@stephens-uk.parasoft.co.uk

STEPHENS SELECTION

STEPHENS

GUERNSEY STOCKBROKERS

COMPETITIVE SALARY AND BONUS

Our client, a well known firm of Guernsey stockbrokers, is currently seeking young and energetic persons to join its debt and equity sales team.

The firm has an excellent track record of growth and success in the Channel Islands, and is looking to capitalise on its market position by increasing its client base of local and offshore clients through the expansion of its sales team.

It is looking for self motivated people who thrive in a small dynamic team, and who have the enthusiasm and determination to develop existing clients and create new business opportunities.

Candidates must have strong interpersonal skills and at least two years sales experience within a firm of stockbrokers or an investment bank. Good communication skills and an up to date knowledge of the financial market are essential requisites for these challenging roles.

Good performance is generously rewarded through the firm's attractive bonus scheme and career prospects are excellent.

Candidates must be eligible to live and work in Guernsey. Interested candidates should send their curriculum vitae, together with a covering letter indicating current salary, to:

Carol Jardine, Jardine Kelso,
53 Shepherds Hill, London N6 5QP

Fax: 0181 341 4463

Interviews will be held in Jersey, London, Manchester and Glasgow.

INTERNATIONAL EQUITY SALES TRADER

We seek a sales trader for our globally recognized financial services company located in the Northwest.

The position's primary responsibility is to assist a growing team in the development of a profitable international institutional equity sales trading organization.

More specifically, the chosen individual will convert his/her client relationships to an ongoing, profitable trading flow, develop new business/new accounts, and cross-sell services. This person will also establish effective working relationships with our UK sales and trading organizations.

To qualify, you must have achieved status as an international equity sales trader at a competitive financial institution with experience in the institutional account sector and previous experience in related areas. You should also have demonstrated success generating a consistent client base and developing new accounts, stellar sales and marketing abilities, and excellent communications on all levels of management, both internally and externally. We seek an action-oriented team player, master communicator, and a reliable, well-versed financial source who can translate market views and knowledge into added value for clients.

Compensation includes a competitive salary and performance-driven bonus. Interested, qualified individuals are invited to submit resumes to: Box F1272, 401 Broadway, Suite 2100, New York, NY 10013. An equal opportunity employer M/F/D/V.

EDITOR

FINANCE AND ECONOMICS

The Economist is seeking an editor for its Finance and Economics section. This is a senior job for a journalist with a strong understanding of economics and of the workings of financial markets. The section editor must inspire and lead an international team of writers, as well as handling the commissioning and editing of stories.

The job is based in London, and commands excellent pay and conditions. Applications to The Editor, at the address below, by June 28th.

The Economist
25 ST JAMES'S STREET,
LONDON SW1A 1HG.

INVESTMENT ANALYST WATER COMPANIES

Opportunity to join leading securities house in the City

Our client is a major securities house with highly regarded research which is distributed internationally to institutional clients. With an excellent reputation for their coverage of utilities they seek a further analyst to join their team and cover the UK water companies.

As a well qualified graduate, MBA or ACA you will have a thorough understanding of the water sector and its regulatory issues. You will have a minimum of 3 years experience gained through either strategic planning or business development within industry; as an analyst; or through corporate advisory work. Strong analytical, financial modelling, verbal and written communication skills are essential as is the ability to market your understanding of the strategic issues and implications for market valuations to clients.

For an initial discussion in confidence please contact us quoting reference 5420 at 20 Cosmo Lane, London EC4R 3TE. Telephone 0171 236 7307, or Fax 0171 489 1130, or E-mail ascovell@stephens-uk.parasoft.co.uk

STEPHENS SELECTION

STEPHENS

Portfolio Manager (Far East)

Based near London Bridge

United Friendly Asset Management is seeking to appoint a Manager for its Far East (including Japan) portfolio to maintain their record of above-average fund performance.

Reporting directly to the Investment Manager, you will be responsible for the general management and performance of Far Eastern equity portfolios valued in total at £300m. You will also be expected to participate in the overall tactical asset allocation process for the fund under management (currently in excess of £3 billion).

Educated to degree standard and ideally IMA-qualified, you will have 3 to 5 years' investment management experience and be computer literate.

The salary package (including car, bonus scheme, etc) will be commensurate with age and experience. To apply, please send full career details, including current salary, to Judith Stott, Personnel Department, United Friendly Insurance plc, 42 Southwark Bridge Road, London SE1 9HE. Closing date for applications: Wednesday 19th June 1996. Committed to Equal Opportunities in Employment.

United friendly

PERSON TO PERSON

A leading firm of international stockbrokers, based in the City of London, is seeking to recruit two Sales Executives to join their rapidly expanding Emerging Markets division, specifically to market Korea, China and Taiwan and India.

Applicants, in addition to being degree qualified, will have a minimum of five years experience in Corporate Finance/Banking, significant knowledge of the financial markets of Korea, Taiwan, Greater China, India and the sub-continent and be fluent in English and the local dialects of the countries that they will be representing. Candidates will have excellent marketing skills and be able to demonstrate the drive and determination to succeed in these fast moving and exciting markets. The salary and an attractive benefits package will be commensurate with the required skills and experience.

Applications should be submitted in writing, enclosing a current CV, to:

Box A5878, Financial Times, One Southwark Bridge, London SE1 9HL.

Bloomberg

FINANCIAL MARKETS
COMMODITIES
NEWS

Applications Specialist

Our plans to provide exemplary client service have created a challenging opportunity for a professional who can successfully combine communication skills with an extensive understanding of complex finance, mainly in the Equities/Equity Derivatives area.

Specific challenges will include:

- Providing internal consulting and customer service on Bloomberg's unique resources and product offerings;
- Identifying and resolving problems and suggesting solutions to clients to expand the client base;
- Participating in industry financial forums and conferences;
- Supporting our sales and marketing efforts.

Interested candidates should send their curriculum vitae to: Jackie Burke, Smith Barney Europe Ltd., 3 Lombard Street, London EC3V 9AA. Fax: 0171 303 7224.

Applications Specialist

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SENIOR CREDIT ANALYST

The commodity business unit of one of the world's leading investment banks is seeking a Senior Credit analyst for its London based European Headquarters. The position will involve the following:-

- analysis and assessment of worldwide counterparties
- monitoring and control of counterparty exposures
- managing the commodity risk profile of the Company's counterparties in conjunction with traders and the commodity risk management team

The role is ideally suited to individuals of graduate calibre who will have received formal credit training and the benefit of at least 5 years' experience, particularly in the analysis of European corporates. Exposure to the assessment and management of derivative and structured transaction risk would be an advantage.

The successful candidate would be involved in regular communication both internally with the company's traders and externally with its trading counterparties. Therefore, a high level of interpersonal and communication skills, both written and oral, is required. An enthusiastic team player is required.

A highly competitive remuneration package will be offered to the successful candidate, including a good basic salary and performance related bonus.

Please send a fully curriculum vitae to: Box A5879, Financial Times, One Southwark Bridge, London SE1 9HL.

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call

Andrew Skarzynski on +44 0171 873 4054

Will Thomas on +44 0171 873 3779

Claire Bellwood +44 0171 873 3351

US Equity Sales

We are looking for a US Equity Salesperson to service our German client base. The candidate should be fluent in German and English and have been educated to a graduate level. Some experience in the financial world would be an advantage.

We will offer a competitive salary and excellent working conditions in an experienced team.

If you wish to be considered for this opportunity you should send your CV:

Jackie Burke,
Smith Barney Europe Ltd.,
3 Lombard Street, London EC3V 9AA

ASSET MANAGEMENT - SENIOR TRADER

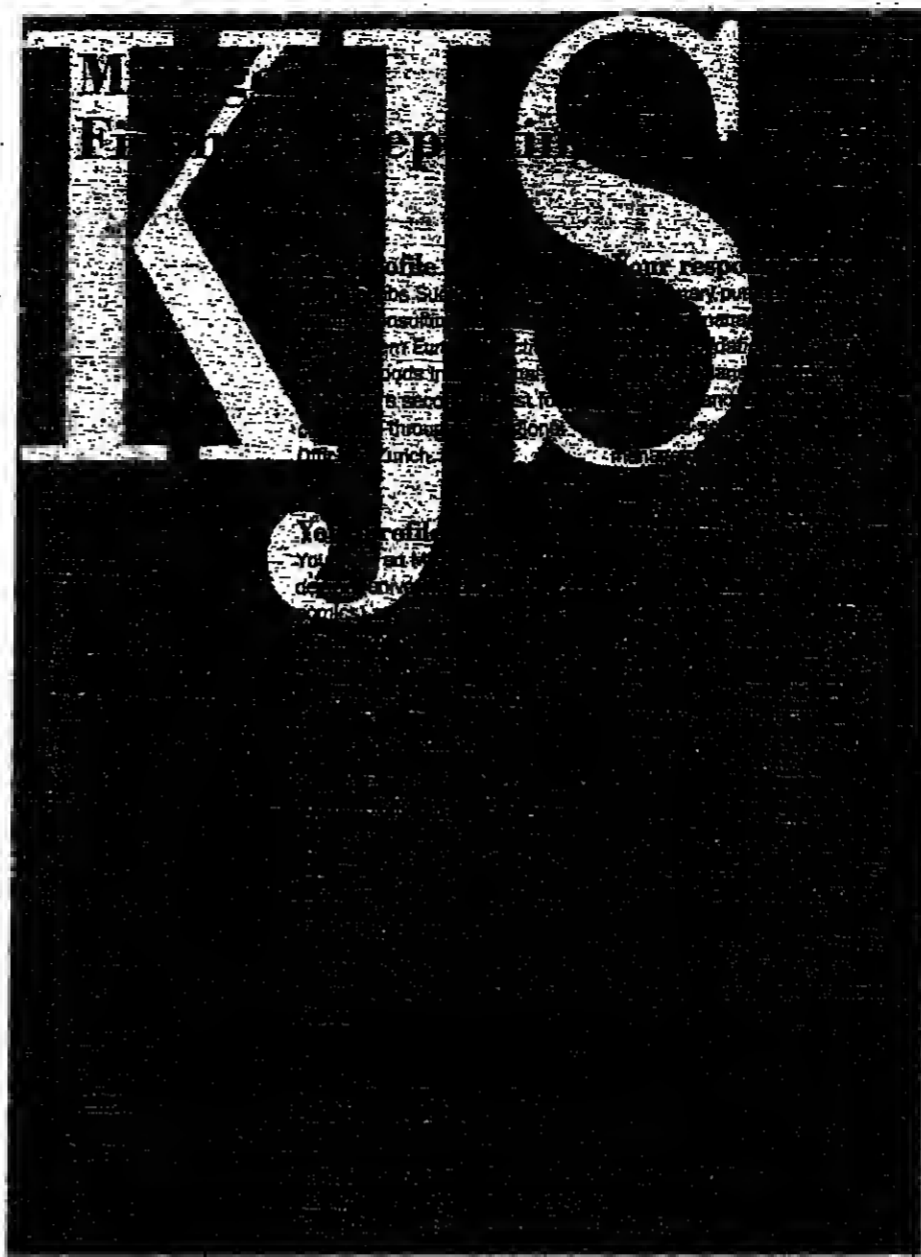
The Asset Management operations of a newly formed investment management house seeks a senior trader to augment its existing team, as a risk manager for fixed income portfolios.

The successful candidate, aged 25-35, will have spent at least 3-5 years in Proprietary Trading at a major investment bank; being exposed to fixed income and foreign exchange risk taking in both the cash and derivative markets. Proven experience and up-to-date knowledge in all current methods of measuring risk are a pre-requisite as is the ability to demonstrate competent quantitative skills. Strong academic qualifications are required to PhD level. Fluency in either Japanese or Chinese is desirable. Salary will be according to age and experience.

Write to Box A5878, Financial Times, One Southwark Bridge, London SE1 9HL.

GROUP MANAGING DIRECTOR*Diversified Group of Companies***Gulf Based****Negotiable Salary**

- Our client is a well established and diversified group of companies in the United Arab Emirates. Due to expansion, the Group is now looking for an aggressive, profit-minded and result-oriented individual with proven track record at a senior management level in a similar organisation to manage the Group.
- The Managing Director will work closely with the Chairman and General Managers of the individual companies to ensure the successful operation of the Group.
- The ideal candidate must possess the following:
 - Strong experience in Finance and Marketing.
 - Excellent interpersonal and human resource development skills.
 - Wide knowledge of different business fields (trends, success factors, competitive positioning) with very strong expertise in at least two business areas including high technology.
 - Proven ability to develop and manage business ventures from conception to maturity.
 - Business management and performance measurement skills using modern techniques such as TQM, JIT, Diversified Portfolio Management and Risk and Liquidity Management.
 - Strong strategic planning ability and experience including preparation of strategic plans (vision, mission, objectives and goals) for a diversified group of companies.
- Qualified candidates must have a business degree from a western university at the MBA level and must have a minimum of 15 years experience in management positions.
- Only qualified candidates should forward career details including salary history by 15 June 1996 to Executive Recruitment Division, Ernst & Young, P.O.Box 136, Abu Dhabi, United Arab Emirates, Fax No: +971 2 722968. Only shortlisted candidates will be contacted.

ERNST & YOUNG**INTERNATIONAL M & A**

An expanding international firm with offices in ten countries is seeking entrepreneurial M & A professionals, with a minimum 5 years transactions experience, to join our London offices.

Our firm is a leader in mid-market cross border M & A.

Please send resume in confidence to Box AS777, Financial Times, One Southbank Bridge, London SE1 9HL to obtain further information.

MANAGEMENT TRAINEE

Long term development and growth in private limited company expanding in Central London. Individuals aged 25-30 seeking opportunities in financial markets. Potential to progress to senior management with full profit share.

LEWIS SMITH
0171 240 3310

APPOINTMENTS WANTED**SWITZERLAND**

Global financial unit
SENIOR CLUB MANAGER 49

Professional with many years varied world leaders experience (banking, services & airline industries). Swiss & Brit, working German & French. Currently travelling 75% for a global company & 25% base work from his own office in Zurich desires a more challenging similar or a permanent management role.

Phone 0941 (0) 77 782193 anytime

PROFESSIONAL ITALIAN MALE AVAILABLE

with experience in PR, Marketing, Sales and General Management. In-depth knowledge of Italian industry, with many contacts. Ideal candidate for expansion programmes in Europe.

Please Fax: Francesca Leneri (Secretary) on 0639-6 482590

TECHNICAL ANALYST

10 years (international) experience of global equity, currency, commodity and bond markets. Proprietary analysing/trading system. Extensive blue chip references and forecasting record. Wide experience of investment industry including sales, marketing and product development - seeks challenging position within dynamic organisation.

Tel/Fax: (+44) 1625 560800
Mobile (+44) 589 101080

ACCOUNTANCY APPOINTMENTS**Coopers & Lybrand Executive Resourcing**

For a new type of innovative investment vehicle, a listed, authorised property unit trust which is expected to have significant tax advantages over conventional property companies and could transform property investment in the UK. An exciting opportunity exists to join the small team management team in establishing this new entity and building it into a significant force in the UK investment industry.

Reporting to the Managing Director and managing a small staff you will be responsible for ensuring that an effective accounting organisation is developed and maintained for planning and controlling the Trust's operations and that all statutory legal, regulatory and compliance requirements are met. A key component of the role will be maintenance of relationships with the Stock Exchange, HMRC, SRS, the appointed trustee, the sponsor and the unit trust administrators. You will also be responsible for overseeing contracts and agreements with all key parties.

A qualified accountant, preferably chartered, you will have a very strong academic record of at least to degree level post graduate qualifications would be beneficial. You should already have experience of leading the finance function in a substantial financial services organisation and will have an in-depth understanding of the Stock Exchange regulations and requirements gained in, or close to, a publicly quoted company. A comprehensive understanding of unit trust regulations will also be very important as will familiarity with securitisation. You should also have experience of overseeing compliance under SRS and HMRC. The personality and track record to inspire confidence with City institutions, investors and regulators will be essential.

Please send full personal and cover details, including current remuneration and daytime telephone number, in confidence to E Torrance Smith, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference TS1183 on both envelope and letter.

FINANCE DIRECTOR**HIGHLY ACQUISITIVE SERVICE SECTOR BUSINESS****LONDON TO £50,000 + ATTRACTIVE BONUS + BENEFITS PACKAGE**

- Young and entrepreneurial company operating within the service sector, has recently secured backing from a major international group to fund its ambitious plans for expansion, which include a tenfold increase in turnover in the next five years.
- Excellent opportunity for commercially orientated accountant to join the senior management team and play a major role in the development of the business.
- Key accountabilities include the introduction of sound financial controls and practices to support the rapid expansion of the business, as well as heavy involvement with acquisitions which form the basis of their strategy for growth.
- Probably in your mid-thirties and a qualified accountant, your background should include a large blue chip plc known for its sound financial management practice, ideally with multi-site operations where customer service is at the forefront of business requirements.
- Previous experience operating at Finance Director level would be of benefit, although candidates who can demonstrate rounded experience, including exposure to acquisitions, are also relevant.
- Strong communication and management skills are vital, together with a willingness to 'roll up your shirt sleeves' and be involved with detail as well as operating at strategic level. A high degree of computer literacy, preferably including systems implementation experience, is also required.

Please apply in writing quoting reference 1160 with full career and salary details to:
Sharon Ryder
Whitehead Selection Limited
11 Hill Street, London W1K 8BB
Tel: 0171 250 2943
<http://www.whitehead.co.uk/whitehead>

Whitehead SELECTION

A Whitehead Group PLC company

Group Financial Controller**c£65,000 & Car & Performance Bonus**

This client is a very successful international marketing services group which in 5 years has established itself in 15 countries across Europe and Asia/Pacific. Turnover is anticipated to reach over £100 million over the next year with strong demand in many markets underpinning further growth. It is a dynamic and flexible business which is profitable and cash generative.

The Financial Controller will be responsible for a small team at the headquarters in West London and a decentralised accounting/financial control activity in the overseas businesses. Apart from the normal aspects of financial control there is a particular challenge to enhance the financial analysis and management accounting function and to increase participation with line management and the Board with changing business issues.

Applicants must be high achieving qualified accountants who combine strong technical ability with an understanding of commerce and an aptitude for contributing to the life of the business. Several years experience of management involvement in a dynamic, well run, sales orientated international business is very important.

Age guideline - mid 30's upwards.

Please reply in confidence quoting ref L612 to:

Brian Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB.
Tel: 0171-240 7905.

Mason Izzard

a Mason & Nurse Associate

Les Echos

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Toby Finden-Crofts
on +44 171 873 3456

MARS ELECTRONICS INTERNATIONAL**Finance Manager****Berkshire****c £40,000 + Relocation**

Mars is a world leader in each of its main businesses - branded snack foods, petcare products, main meal foods, electronic automated payment systems and drinks vending.

Much of their success has resulted from original and innovative thinking. Vending machines were first used by Mars to increase the distribution of its confectionery products and this, in turn, led to a need for a reliable coin acceptance mechanism and so Mars Electronics International (MEI) was born. Over the last twenty-five years, the company has built on its experience in electronics and international currency and now delivers a wide variety of coin, note and card payment solutions to worldwide markets including transport, recreation, leisure and vending.

Today, all over the world, millions of people take it for granted that they can buy products or services around the clock - automatically and reliably; MEI is at the forefront of this technology.

A key opportunity has now arisen. Reporting to a US based Financial Controller, the Finance Manager is responsible for offering commercial support to senior managers within areas such as manufacturing, production

planning, logistics and purchasing. Much of this input will be on an ad-hoc, project driven basis demanding a thorough understanding of complex business issues. In addition, the jobholder will be the finance representative on a multi-disciplinary team that is delivering through a number of business re-engineering initiatives.

This is a true fast-track development role for a professional with aspirations towards senior management - either within the financial discipline or in a general management context.

Candidates will be genuine culture, qualified accountants with a minimum of 18 months' experience in a progressive blue-chip manufacturing environment. Most importantly, you will be able to demonstrate above average intellect, excellent interpersonal skills and accelerated career development to date. Relocation facilities are available where appropriate.

Interested applicants should forward a comprehensive CV, including details of current salary and daytime telephone number to Don Chevasse, Michael Page Finance, 1st Floor, 40-42 High Street, Maidenhead, Berkshire SL6 1QE. Please quote reference 294764.

**Michael Page Finance**

Specialists in Financial Recruitment
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Experienced Corporate Financiers

London Competitive packages

As part of one of the world's most powerful professional services firms, our Corporate Finance Team is building an enviable reputation for originating, executing and advising on a number of high profile transactions.

Currently enjoying a period of unrivalled growth, and as part of an ongoing recruitment programme, the practice seeks a number of experienced corporate financiers to meet the increasing demand in the following areas:

Private Company Sector

- To include:
 - Originating, leading and managing all aspects of mergers and acquisitions, refinancings and disposals.
 - Facilitating marketing initiatives, creating and developing close relationships with senior clients.
 - Participating actively in the strategic development of the Corporate Finance Team.

Public Company Sector

- To include:
 - Providing advice to smaller quoted companies on financing, restructuring, contested and friendly takeovers.
 - Maintaining effective links with stockbrokers, fund managers and senior industry figures.
 - Providing strong technical support.

- To take full advantage of the outstanding career development opportunity, you should have:
 - A minimum of three years' relevant experience with a merchant bank, stockbroker or similar organisation.
 - An impressive academic background with an MBA, accountancy or legal professional qualification.
 - Strong technical ability combined with a high level of commercial acumen.
 - Excellent communication/presentation skills, with the adaptability and credibility to inspire confidence in clients and colleagues alike.

If you are one of the exceptional people we are looking for please send your CV, together with your current remuneration package to: Rebekah Brammett, Ernst & Young, National Human Resources, Listas House, New Fetter Lane, London EC4A 1EU.



Senior Internal Auditor

- LONG TERM CAREER PROSPECTS
- INTERNATIONAL RESPONSIBILITIES
- MULTINATIONAL INTEGRATION CHALLENGES
- FRANKFURT BASED



Elsag Bailey
Process Automation

The recent union of Elsag Bailey and Hartmann & Braun has created a global automation company with revenues of nearly \$2 billion. The new company offers a comprehensive portfolio of distributed control systems, process instrumentation, analytical products and professional services. Operating units are located in 25 countries with over 12,000 employees worldwide.

A significant international career opportunity exists for a Senior Internal Auditor covering business units throughout Germany and some other European countries.

Based in Frankfurt and reporting to the head of Corporate Audit this position will plan, implement and report on both financial and operational reviews. In addition to helping develop departmental strategy the position will add value to a complex business operating in a highly competitive environment.

Successful performances in this key role will result in rapid career progression within either the audit function or line management.

Candidates will have a professional qualification and must have fluent written/spoken German/English. A background in a major public accounting firm is essential with a minimum of 4 years experience. Preference will be given to candidates experienced in auditing complex computer systems and manufacturing/technology operations who have demonstrated the ability to bring benefit to the business. There will be a requirement for 50% business travel.

A competitive German remuneration package will be offered with relocation assistance to Frankfurt if necessary.

Please mail or fax a comprehensive CV and details of present compensation to: Martin Carlisle, European HR Director, c/o Hartmann & Braun (UK) Ltd, Moulton Park, Northampton NN3 6TF, England. Fax: 00 44 (0) 1604 671284.

Financial Accountant

Germany

110 - 140,000DM

Our client is a major international group and one of Britain's foremost industrial companies, developing and manufacturing a wide range of advanced and high technology products. With a turnover of approximately £1.5 billion, it employs around 17,000 people worldwide and has major plants in the UK, North and South America, Continental Europe and Asia/Pacific. Highly acquisitive, the company is committed to achieving technological leadership in all of its core markets.

An opportunity for an outstanding finance professional has arisen in a subsidiary based near Dortmund, Germany. Reporting to the Financial Controller of this £100 million turnover business, the role will encompass full functional responsibility with particular emphasis on the development of financial systems and management reporting. There will be a high degree of

commercial and operational involvement. This is a 'hands-on' and highly influential role and will be of particular interest to those seeking a stepping stone to their first Financial Controlling/Directing role. The successful candidate will be an ambitious self-starter with strong interpersonal and organisational skills. Additionally, the role carries strong prospects for progression either in Germany or elsewhere in the group, including the UK. Naturally, a firm grasp of the German language and taxation system is a pre-requisite.

Interested candidates should apply in writing quoting reference 288494 and enclosing a full CV (including telephone number and details of present remuneration) to: Stephen Wilson, Michael Page International, The Citadel, 190 Corporation Street, Birmingham B4 6QD.



Michael Page International

International Recruitment Consultants
London Paris Amsterdam Düsseldorf Frankfurt Hong Kong Sydney

Dynamic, high growth...
...£50m + UK business. Backed by resources of 600m international group. Excellent potential for further penetration of relatively untapped markets. Rapid expansion has brought problems as well as success; the company now requires stronger commercial disciplines and firm financial leadership.

Full accountability...
...for management and financial accounting, company secretarial, MIS and sales administration functions. Bring stability and team spirit to a large finance group. Develop and implement high integrity controls and effective information systems.

Graduate, strongly commercial...
...CA/ACMA, currently in senior financial post within highly respected organisation. Particular experience of investment/capital goods and commercial contracts. Practical, pragmatic, hands-on style, with ability to create and maintain cohesive team approach in high growth environment. Thorough grounding in UK finance and tax legislation; good understanding of international accounting standards. Experience of dealing with overseas companies very helpful; first class interpersonal, communication and presentation skills mandatory.



GE Lighting Europe

European Finance Manager

Budapest

\$ Excellent Package

GE Lighting has taken aggressive steps to globalise and enhance its world position which has resulted in it becoming one of the major leaders in the lighting industry in Europe. Its European operations now employ over 12,000 people across 13 manufacturing sites in Hungary, Germany, the UK, Italy and Turkey, and produce over 800 million lamps a year.

As a result of internal promotion, it now seeks to recruit a European Finance Manager to be responsible for all its manufacturing and distribution operations. Reporting to the CFO and the VP-Manufacturing and Operations, the role will encompass a broad range of financial and operational issues. As well as ensuring that all reporting requirements are adhered to, there is a heavy emphasis on financial analysis of variances and trends. Of equal importance will be responsibility for manufacturing operations and logistics covering areas such as cost reduction, pricing issues, union negotiations, strategic planning and special projects. A critical area will be to lead process improvement and change.

The seniority and breadth of this role means that the person specification is exceptionally high. With a background in manufacturing gained within an international company, you will have strong technical skills, hands-on experience of operations and logistics and the ability to manage change. Preferably an MBA graduate, you will have a proven track record in finance at a senior level. You will also possess excellent interpersonal skills, be self confident, a team player and have above average organisational skills. Any relevant language ability would be an advantage, although not essential. For the right person this position offers a highly competitive remuneration package plus excellent career prospects within a global company.

Interested candidates should forward a comprehensive CV, stating a daytime telephone number and current remuneration, and quoting reference number 294163, in strictest confidence, to: Hugh Everard, Director at Michael Page Eastern Europe, Page House, 39-41 Parker Street London WC2B 5LH, England, or fax +44 (0) 171 404 6370.



Michael Page Eastern Europe

International Recruitment Consultants

INTERNATIONAL AUDIT MANAGER

The Client

This long established multinational bank, is pre-eminent in the Gulf region. It has consistently demonstrated sustained growth and is committed to investing in cutting edge technology and developing the latest banking products. A strong Anglo-American culture has ensured the successful development of services within treasury, corporate, retail and investment banking.

The Role

Reporting directly to the Head of Audit, the incumbent would take full responsibility for co-ordinating and carrying out the audits of all offices outside the domestic audit team's remit. The brief will be to work closely with senior management to improve the bank's internal controls and risk management systems. Based in the Gulf, the role will involve substantial amounts of international travel to the UK, America, Europe, the Far East and Middle East.

The Candidate

You will be a qualified accountant with at least four years post qualification experience gained within a banking environment or with a financial services client base. Due to the high profile nature of the role, it is critical that applicants have the ability to influence change at the highest levels, be credible when dealing with senior management and be technically up-to-date with the latest developments within the banking world. You must be comfortable with relocation to the Middle East and significant international travel.

c£60,000
+ expatriate package

Gulf Region with
substantial travel

DOUGLAS LLAMBIAS ASSOCIATES
RECRUITMENT CONSULTANTS

DLA

Please forward your CV in the strictest confidence to Jonathan Gill at Douglas Llamblas Associates, 10 Bedford Street, London WC2E 9HE, telephone on 0171 420 8000 (evening/weekends 0181 987 8860) or fax 0171 379 4820

DLA

FINANCIAL ACCOUNTING MANAGER

Oil and Gas
E&P and Service
Company

Central London

To £52,000 plus
exceptional
benefits package

Our client is a highly successful business, based in Central London and operating internationally. Continued expansion, both by acquisition of new acreage and through joint ventures, has led to a structural review of the finance and accounting functions. The result is a requirement for a Financial Accounting Manager to:

- Develop appropriate accounting and management reporting systems
- Implement effective controls and procedures across the company's operations
- Deliver timely and accurate, statutory, financial and management information
- Build and promote personal and professional relationships with senior colleagues internally and with banks, auditors and other advisors externally

A qualified accountant, preferably ACA/CA with a degree, you will have 10-15 years' oil and gas experience, some having been gained outside the UK. A communicator and an achiever, with strongly developed commercial skills, you will have proven your ability to work to tight time deadlines and to add value to business through your relationship-building skills. The proposed terms of employment reflect our client's commitment to excellence and, because of the urgent nature of the appointment, initial selection interviews will take place in the next 4 weeks.

Interested candidates should write with full CV, quoting current rewards package to Richard Roberts, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY. Tel: 0171 430 9000, Fax: 0171 405 5995 quoting ref: HRR/422/FT.

Hoggett Bowers

EXECUTIVE SEARCH & SELECTION



JOINT VENTURE ACCOUNTANT

Oil and Gas
E&P and Service
Company

Central London

To £45,000 plus
benefits package

Our client is a highly successful business, based in Central London and operating internationally. Continued expansion, both by acquisition of new acreage and through joint ventures, has led to a structural review of the finance and accounting functions. The result is a requirement for a Senior Joint Venture Accountant to:

- Develop and install systems and procedures to meet field and operational needs
- Provide effective systems and accounting support to field personnel
- Coordinate and be responsible for all international JV accounting
- Represent the company's interests as operator in commercial, procedural and technical negotiations with partners and other third parties

An experienced professional, with a recognised accounting qualification, probably ACMA, you will have 8+ years' oil and gas experience and be able to show us a track record of success in international joint ventures. Culturally aware and commercially adept, you will be able to lead, and gain advantage for the client's involvement in JVs, JOAs and other financial aspects of substantial JVs, often working against tight time and pressure constraints. This is an urgent appointment so initial interviews must take place in the next 4 weeks.

Interested candidates should write with full CV, quoting current rewards package to Richard Roberts, Hoggett Bowers, 7-9 Bream's Buildings, Chancery Lane, London EC4A 1DY. Tel: 0171 430 9000, Fax: 0171 405 5995 quoting ref: HRR/422/FT.

Hoggett Bowers

EXECUTIVE SEARCH & SELECTION



ASSISTANT TREASURER

Ambitious, technically strong, Treasury professional of the highest calibre to build a career in a major Group with substantial overseas interests

Up to £45,000, car + exceptional benefits

Thames Valley

The continuing growth of this major multi-national is reflected in the development of its Treasury function over the last few years. This has been marked by a professional, forward thinking and highly successful approach to the funding of the group, by careful management of interest rate exposures, and by assiduous stewardship of the funds committed to many overseas interests. The Treasurer is now looking for a high calibre specialist to work closely with him on all these tasks. The appointee will also be involved in regular reporting and forecasting, some back-up dealing, and ad hoc projects; the department is too small for lines of demarcation, and the ability to work as part of a team is essential. Candidates should be graduates (finance numeracy is more important than degree discipline) and qualified accountants who have already demonstrated the interest and ability to have achieved, or to be on the way to achieving, ACT qualification. They must have several years' hands-on Treasury experience, with either a major corporate, a bank or a consultancy, and this background should have developed strengths in bank relationship management, strong negotiating skills, an understanding of relevant tax issues, a working knowledge of Commercial Paper and an ability to use IT which goes beyond mere literacy. An understanding of overseas treasury work will be particularly valuable. Please send full career details, quoting reference WE 6069 on both letter and envelope, to Terry Ward, Ward Executive Limited, 4-6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE LIMITED

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To £40,000 PACKAGE ISLE OF MAN

Strix is the world's leading supplier of thermostatic controls for the domestic appliance industry. It holds the Queen's Award for Exports and Manufacturer of the Year Awards. Manufacturing from its site of Manx and Chester factories, it exports to over 30 countries and has achieved its success through product innovation and quality.

Re-structuring of the finance function has created the new position, which will report to the Finance Director. It carries responsibility for all factory accounting and controls, budgeting, new product costing and the development of appropriate integrated IT and reporting systems.

Candidates, probably in their 30's and qualified CMA's, will have a wealth of relevant experience gained ideally in a major plc with recent experience of MRP systems. An engineering environment would be appropriate, but above all we seek a hands-on, practical team player who can keep pace with the ambitions of a technology driven company, which is growing rapidly.

Please send a comprehensive CV to Howgate Sable & Partners, Arlowright House, Parsonage Gardens, Manchester M3 2LF. Tel: 0161-839 2000, Fax: 0161-839 0064, quoting ref: FLCR1.

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EXECUTIVE SEARCH AND SELECTION

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ASSISTANT TREASURER

Ambitious, technically strong, Treasury professional of the highest calibre to build a career in a major Group with substantial overseas interests

Up to £45,000, car + exceptional benefits

Thames Valley

The continuing growth of this major multi-national is reflected in the development of its Treasury function over the last few years. This has been marked by a professional, forward thinking and highly successful approach to the funding of the group, by careful management of interest rate exposures, and by assiduous stewardship of the funds committed to many overseas interests. The Treasurer is now looking for a high calibre specialist to work closely with him on all these tasks. The appointee will also be involved in regular reporting and forecasting, some back-up dealing, and ad hoc projects; the department is too small for lines of demarcation, and the ability to work as part of a team is essential. Candidates should be graduates (finance numeracy is more important than degree discipline) and qualified accountants who have already demonstrated the interest and ability to have achieved, or to be on the way to achieving, ACT qualification. They must have several years' hands-on Treasury experience, with either a major corporate, a bank or a consultancy, and this background should have developed strengths in bank relationship management, strong negotiating skills, an understanding of relevant tax issues, a working knowledge of Commercial Paper and an ability to use IT which goes beyond mere literacy. An understanding of overseas treasury work will be particularly valuable. Please send full career details, quoting reference WE 6069 on both letter and envelope, to Terry Ward, Ward Executive Limited, 4-6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE LIMITED

RICHMOND-UPON-THAMES • BROMLEY

Finance & Administration Manager (Factory)

The Company

Our client is a leading player in one of the world's most competitive consumer product markets. They have truly global operations and a portfolio of world renowned brands. Poland is seen as key to the company's future success and expansion in the new markets of Central & Eastern Europe. They have already established a significant presence in the Polish market and will enhance this through further new initiatives including acquisitions and capital investment.

The Position

In this key position you will combine excellent general accounting skills with good all round business acumen. You will have a good knowledge of cost accounting and experience in GAAP and Polish accounting standards. This is a rapidly changing environment and you must be able to adapt to the many challenges this creates. The ability to motivate and develop those around you is important therefore it is a necessity that you can communicate in Polish.

This position offers a tremendous opportunity and the chance to develop your career in a rapidly growing business operation.

Please forward your CV, quoting reference number FT 3004 to **ANTAL POLAND: Ul. Nowogrodzka 42 m 15, 00 - 695 Warszawa. Tel: 022 - 622 30 51 or 022 - 629 00 50. Fax: 022 - 621 59 25.**
ANTAL UK: Antal International, 8 Alice Court, 115 Putney Bridge Road, London SW15 2NQ, UK. Tel: +44 (0) 181 874 2744. Fax: +44 (0) 181 871 2211.

ANTAL INTERNATIONAL
"Serving New Europe"

DOUBLING TURNOVER BY THE YEAR 2000

Ground-breaking performance demands exceptional talent

Finance Professionals - can you meet the challenge?

General Electric is one of the world's most successful, most profitable and fastest growing companies. In 1995 revenues were up 17% to \$70 billion and the company maintained its 30-year tradition of dividend increases. GE's business interests are diverse and its European performance is ground-breaking. Through direct investment, strategic alliances, joint ventures and partnerships, GE now employs 50,000 people in over 75 European locations, generating \$14 billion revenues. At the leading edge of European technology development, rapid growth continues organically and through acquisitions - GE aims to double its turnover in Europe by the year 2000.

This dynamic growth fuels a need for a number of Business Analysts to join GE businesses in locations throughout Europe. Assisting Vice-Presidents or Chief Financial Officers, the roles will involve exposure to all areas of business finance. Projects will vary depending on the key issues facing particular businesses, which range from medical equipment to plastics, financial services to turbines. Analysts work cross-functionally on a variety of challenging financial assignments, for example looking at quality and marketing issues, taxation, analysis of business flows and working capital. Supporting GE's acquisitive process, Analysts are also involved in due diligence and integration reviews.



GE

GE is an equal opportunity employer.
*Not associated with the English company of similar name.

Central to GE's financial strength, these roles provide an opportunity to make a rapid impact within a GE business, offering a career route for talented candidates with the potential and confidence in their ability to become a senior finance officer with GE. A professional finance qualification, MBA or relevant business degree is essential. Due to the diversity of professional training across Europe and the number of positions available, candidates should have between 2-7 years' experience. Equally important are a clear record of academic and career achievement and high levels of integrity, ambition and energy.

Fluency in English and at least one other European language is essential, together with mobility and the enthusiasm to pursue an international career with GE. The company's growth and its exceptional commitment to training and development provide unrivalled opportunities and rewards throughout Europe.

Interviews will be held throughout Europe during June and July. To apply, please fax or post your CV quoting ref 167, giving details of current salary package and availability for interviews, to the address below as soon as possible. Any CV sent direct to GE will be forwarded to Alderwick Consulting Ltd.

ALDERWICK CONSULTING

SEARCH & SELECTION
95 FETTER LANE, LONDON EC4A 1EP
TEL: +44 (0) 171 262 9191 FAX: +44 (0) 171 262 3560

مكتبة النور



DON'T DRESS UP FOR THIS INTERVIEW

Diesel London seeks a young minded and modern Finance Director Designate for the UK.

We're not only looking for a well educated and promising future Finance Director Designate. There's a lot of them around.

Equally important to an excellent CV and great testimonials, is your personality.

For us, this means plenty of energy, and the ability to work in a fast moving and sometimes unorthodox environment. We always look for people who look at problems from a variety of angles.

Founded in 1978, Diesel is a young and modern international company. Today, we are the world's fastest growing jeans company with an annual Group turnover in excess of £300 million, distributed outlets in over 70 countries and, more importantly, a deep rooted philosophy that work should be fun.

That's why we at Diesel take your qualifications as read, but place greater emphasis on your personality.

Due to internal promotion, we are now looking for a Finance Director Designate for our recently created subsidiary of Diesel based in London. The UK is a very special market that we are committed to invest and grow further in the next few years.

You will assume responsibility for the finance function, implementation of systems (with consultants), profit and loss projections, corporate strategy and generally acting as the Managing Director's 'right hand' person. You will, in addition, take responsibility for the Warehouse and Customer Service Managers.

To be successful you will be a qualified finance professional with between 2 and 5 years PQE, and possess proven leadership. You will also need something that your track record can't show: Let's put it this way, we don't employ sheep.

How far you go with Diesel in this position depends entirely on you. But we can assure you of one thing:

There will never be a dull moment.

For this project we're working together with the Search & Selection firm Nicholson International. If you're ready for Diesel, send your CV along with a covering letter to Andrew Livesey, Bracton House, 36 High Holborn, London WC1V 6AS, or alternatively fax your details on 0171 404 8128.



NICHOLSON INTERNATIONAL

FINANCE MANAGER

Telford, Shropshire

£30,000 plus

Our client is a successful, competitive electronics manufacturer who are a fully owned subsidiary of a multi-national organisation with 40 plants worldwide and a turnover of £100 million in the UK alone. Currently they are looking for a seasoned professional to play a positive role in the senior management team, as well as taking responsibility for all aspects of the company's financial management.

The successful applicant will report to an Executive Director and manage a small team who undertake a wide range of periodic financial accounting and provide management information with the aid of a computerised system. Additional responsibilities include: Credit control, with particular emphasis on export documentation; developing and implementing new systems; tax; insurance

and maintaining and reviewing supplier relationships.

Candidates should be relevantly qualified accountants with a track record in a similar role in a commercial organisation of £50 million plus, ideally in manufacturing. Our client will particularly be looking for good interpersonal/negotiating skills in dealing with colleagues of all levels and suppliers, as well as someone who will make a significant and constructive contribution to achieving financial objectives and improved systems.

If you feel that your skills and experience match the needs of our client, please write with full C.V. and current salary details to Heidi Hunter at: Chris Hunter Appointments, Suite G07, Grosvenor House, Central Park Telford TF2 9TW.

CHRIS HUNTER ASSOCIATES Strategic Consultants to International Business

Finance Director Designate

South West of London inside M25

£ Excellent

We are the major financial business within an institutionally owned PLC operating in the financing and property industries. We have established ourselves as a leading supplier of operating lease finance, principally via vendor programmes to the IT, Telecoms and Healthcare markets.

Due to internal restructuring, the Managing Director now seeks a Financial Controller/Finance Director Designate to assume responsibility for the accounting function. The candidate will work alongside the company's three executive directors and will manage six staff. Responsibilities will include ensuring that the management and statutory accounts, annual budget and other information requirements are produced on a timely basis. The candidate will also be required to assist in tax planning, treasury management and the continuing development of the company's computer systems to meet the demands of a growing business.

This role is seen to be one of the key financial executive positions within the group both now and in the future.

The successful candidate will be a person who has drive, assertion and the ability to communicate with others in a logical manner.

The environment is prone to variety and change but the person fulfilling the role should be prepared to work within the defined parameters of the organisation and not be afraid of a genuine hands-on role to achieve regular and project driven deadlines. A friendly approach and the ability to influence and persuade others are important to the function. The person should be self starting, imaginative, enthusiastic, logical, systematic and precise.

The successful candidate is likely to be a qualified accountant with several years experience gained post qualification. Relevant industry experience and familiarity with the leasing industry would be advantageous. The role offers an excellent remuneration package.

Interested candidates should write enclosing their CV to: The Personnel Manager, PO Box Financial Times, One Southwark Bridge, London SE1 9EL

Executive Search & Selection Consultants

Banking/Finance Specialists

Excellent Packages

Harvey Nash Plc is acknowledged as the UK's fastest growing Executive Search & Selection Group. With a turnover in excess of £22 million for 1995 and new offices opening in Europe, it is committed to further growth based upon exceptional client service. Its Finance Team now requires exceptional individuals to help accelerate this growth still further.

Based out of their prestige West End offices, the Finance Team conducts assignments at middle and senior management level within commerce and industry, management consultancy and financial services clients.

Candidate criteria will be:
 • Dedicated to client service, and be able to develop client relationships.
 • Capable of running assignments from inception through to successful conclusion.

• Enjoy operating in a meritocratic and supportive culture where you will be expected to multi-task effectively in a rapidly changing environment.
 • Able to represent Harvey Nash credibly to the highest echelons within client companies.

Candidates will have at least 3 years' search or selection experience in banking or senior finance/accountancy roles. Prior careers in either Banking or Finance would also be preferable. A good intellect, strong motivation and excellent communication skills are all required.

If you believe you have the necessary combination of expertise, track record, client focus and determination to succeed in these positions, then please write enclosing an up-to-date curriculum vitae and daytime telephone number to Harvey Nash Plc, 13 Bruton Street, London W1X 7AH. (Tel: 0171 333 0033, Fax: 0171 333 0032). Please quote reference HNF142.

HARVEY NASH PLC

EXPERIENCED EXECUTIVES

CMR specialises in helping small/medium-sized businesses. We are expanding & need more senior executives, in the South & Midlands, to join us on a full or part-time basis as independents.

CV/Details to CMR
 13 Harley Street
 London W1N 1DA

JOHNSON & JOHNSON MEDICAL PLANT FINANCIAL CONTROLLER

In the worldwide healthcare market, Johnson & Johnson has reached and sustained an enviable level of excellence, a turnover of over \$19 billion and sales in over 150 countries. With recent strategic investments and restructuring, our Yorkshire site has become the dynamic European base for the manufacture of specialist wound management and infection prevention products for worldwide distribution.

Due to intra-group promotion, we are looking to appoint an ambitious, qualified Accountant to lead a small team and account for \$90 million annual expenditure. The company uses a fully integrated standard costing system and familiarity with advanced costing techniques will be a distinct advantage. Accuracy of product costs is essential and plant activity is monitored continuously.

Aged mid 20's to mid 30's, you will be a qualified Accountant - preferably CIMA/ACMA - with the ability and willingness to communicate at all levels, from shop floor to Board of Directors, in addition to working closely with Operations Management.

This is an opportunity to join a company with a reputation for excellence, where considerable emphasis is also placed upon personal development.

Other rewards include excellent pension scheme, private mileage, free family BUPA, five weeks' holiday and generous relocation package to this beautiful part of the country.

Please reply, in the first instance, with full curriculum vitae to: David Rawlins, Croesley House Recruitment, Croesley House, Hopwood Lane, Halifax DX1 5BB. Tel: 01422 321490. Fax: 01422 349998.

CHIEF FINANCIAL OFFICER MEDIA & TELECOMS - NEW YORK CITY

Our client is an entrepreneurial and fast growing company, based in New York City, with interests in digital telecommunications, TV and media. At the core of the business is a small, committed, professional and ambitious team of people seeking out opportunities and growing businesses in fast moving industries centred around communications.

The company seeks to attract an outstanding individual as Chief Financial Officer, based in Manhattan. Ideal candidates will be of graduate calibre and will be ACA or ACMA qualified, possibly with an MBA. It is likely that they will have 7-15 years' post-qualification experience, ideally in Finance Director positions, in dynamic companies going through growth and change.

The key factors determining success in this role will be intelligence, energy, drive and enthusiasm. The company seeks to create value for shareholders and is looking for an individual who shares a vision of growth.

To apply for this challenging role, please forward your c.v., quoting Ref: CFO/2510, to Miller Leake Advertising, 50 Harvey Road, Farnborough, Hampshire GU14 9TW. All applications will be forwarded to the consultant responsible for this assignment. Telephone enquiries cannot be accepted.

Miller Leake ADVERTISING

Equities Specialist

£40,000 + Benefits

Our client, one of the City's most respected European Houses, is currently undergoing a significant expansion programme in a number of its front line business units. We have been asked to shortlist candidates for urgent vacancies in the Equities team.

Taking full responsibility for two or more products in the European Equities area, your duties will include:

- Preparation and review of risk information, including limit processes and value at risk
- Review and verification of the daily P&L
- Co-ordination of specialist transaction procedures
- Ad-hoc analysis to support the business

This role involves daily liaison with product heads and traders, plus close co-operation with the Equities business analysis team.

Successful applicants are likely to be Qualified Accountants with in-depth product knowledge gained through their current role or practice audit.

Unparalleled opportunities for 'committed high-achievers'.

Please contact Jason Oakley or Caroline Foley-Coxon on 0171-583 0073 or write to us at 16-18 New Bridge Street, London EC4V 6AL. Fax: 0171-353 3908

BADENOCH & CLARK recruitment specialists



HEAD OF FINANCE

The Worldwide Alternative to Cash

LONDON OR NORTH-WEST - EXCELLENT REMUNERATION

Mondex International is the market leader in Electronic Cash and a key player in a payments' revolution that will result in a transformation of business and commerce. Mondex International is seeking an exceptional Head of Finance to manage a period of growth and change, as Mondex is deployed around the World. This is a unique opportunity for a senior finance professional to enhance their reputation whilst helping to create a new industry.

Remit:
 To formulate Finance policy, create and implement processes, controls and structures for Financial and Management Accounting for Mondex International - a new company.

To present and sell ideas, and propose strategies, to the Board of Mondex International.

To manage the internal Finance function, plus Human Resources, IT, and Administration.

To hold budgetary responsibility for each allocated function.

To be part of the Mondex International management team.

To help expand the franchise scheme internationally by assisting in formulating commercial propositions for joint ventures and projects.

Qualities:
 Ability to succeed in a new start-up situation.

Able to hire, retain, motivate and manage teams of specialist staff and create new processes and controls.

Demonstrable ability to present and sell ideas to the Board of Mondex International.

Desirable experience:
 Experience of creating financial processes and systems for new business units including the statutory and taxation requirements of a private company.

Experience of working within corporate taxation and treasury for a multi-national entity.

Experience of working at/with high technology companies - ideally within a professional services environment.

- Attributes:
- First-class verbal and written communication skills
 - Fully conversant at dealing with/persuading senior executives.
 - Experienced at international business (cross time-zone) and willing to continue.
 - Charismatic.
 - Determined.
 - Energetic and physically fit.
 - Ideally possessing fluency in one or more foreign languages.
 - Commercial orientation - comfortable to be 'out in front'.

Education/Qualifications:
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MANAGEMENT

When I arrived as a guest at Insead's Owner-Directors' programme I had expected the ice to take some time to melt. I had anticipated a degree of scepticism about the teaching of entrepreneurship after talking to businessmen in the UK who denied the need for courses because they ran their businesses "instinctively".

I was wrong on both counts. Even before the first lunch was over, the entrepreneurs were displaying a willingness to share their problems and learn by their mistakes.

One was struggling with the issue of how to divorce a business partner who was not pulling his weight. Another was wondering how to provide incentives to top management. A third was troubled as to how he could disengage from operational responsibilities and take a more strategic view of the business.

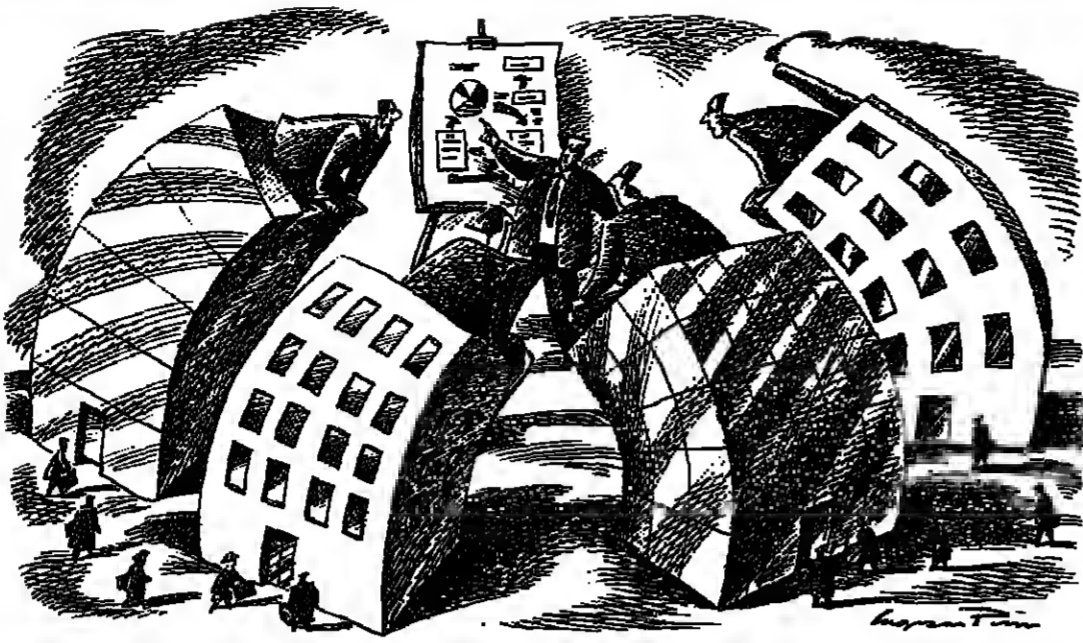
A fourth was unclear whether to take on a non-executive director. The Owner-Directors' Programme is designed for entrepreneurs who are expanding their businesses and want to grow them some more but who recognise that there are obstacles which they need to negotiate at the different stages of growth.

It is held in two separate seven-day sessions each year at the international business school's leafy Fontainebleau campus outside Paris. Sponsored by Ernst Young, the accounting firm, and Glide Investments, the Dutch-based venture capital company, it is one of the most compact courses provided by any business school for entrepreneurs, most of whom can spare little time from their businesses.

My 20 classmates were from many backgrounds. They owned businesses that invested in Czech property, distributed books and fast-moving consumer goods in Ireland, managed forestry for UK utilities, stocked steel in Zimbabwe, distributed and integrated software in the UK, designed and built satellite telephones in Denmark, and supplied paints and coatings for the world's ships from a base in Greece. But discussion of their common concerns created a bond that crossed national or sectoral differences.

Two there were the formal classes. Structured around case studies prepared the night before, the professors drew the participants into animated discussions based on entrepreneurs' own experiences. When the probing led to admissions of imperfect strategic thinking, unpolished negotiating skills or questionable costing procedures, the lesson was all the more powerful.

It was also harder work than many will have remembered since university days as this diary extract suggests. Sunday, the programme starts after lunch with entrepreneurial



Richard Gourlay spends a week at Insead and finds out what it offers entrepreneurs

Lessons from the forest

management and the early days of Virgin Atlantic Airways. It focuses on founder Richard Branson's use of a low-cost entry route (leased aeroplanes), low-cost promotion (PR), and the value of creating loyalty (cheap salaries).

Bon Mots: Prof Dan Muzyka concludes the day: think how you use strategy but also think how your competitor thinks about strategy.

Monday. We dive into competitive growth strategy based around Canon's capture of the photocopier market from Xerox. There is much hilarity when one classmate, now a director at a publisher in London, recounts how he was in Xerox's strategic analysis department in London at the time Canon was devouring its market. A parting of the ways allowed him to start his own business. Neil Churchill, professor of entrepreneurship, addresses the idea of bootstrapping - growing a company with no cash. We are introduced to the way the maximum financeable rate of growth (Mitrog) of a company can be increased through better working capital control.

Bon Mots: If you run the risk of growing too quickly, never attempt to control sales by any means other than increasing prices.

Tuesday. We look at the management of entrepreneurial resources - cash and people. The session stresses the need to delegate responsibility while maintaining a grip through strong management control systems.

We move to a session on negotiation. Prof Ingemar Dierckx says the first objective should be to find out the other party's intentions, their limit (the point of indifference between concluding and not concluding a deal), their targets, alternatives and the extent of their knowledge. In the coffee break I call my bulldozer and contravene almost every rule.

Wednesday. Delgan Morris, professor of accounting, enters a heresy for the financial accountants present. Five hundred years of double entry book-keeping, begun by Venetian monk Luca Pacioli, has provided managers with a discipline that may reflect historical events,

he says. But this information is useless, even dangerous, when used to manage the future of a business. There follows a demonstration of the dangers of incorrectly allocating all central overhead costs to operating divisions. Of course, the class all know this. But many, perhaps most, are still breaking Morris's golden rule in their businesses by loading inappropriate overheads on to profit centres.

Bon Mots: Often when managers invoke "strategy" they mean "I'm going to lose a packet but I want to do it anyway" - Delgan Morris.

Thursday. More management accounting, more misallocation of costs leading to more absurd decisions. Some customers, for example, demand a lot of attention and thus raise the overall marketing and support costs. If this cost is spread evenly across all customers, the most demanding clients will appear most profitable and therefore receive privileged attention. Thus begins "the doom loop" - more concentration on the most demanding customers.

Morris warns there will be opposi-

tion to these ideas because customers and products thought to be profitable will be revealed to be making losses and areas of the business thought to be cheap will turn out to be expensive.

Another session on negotiation focusing on how to avoid negotiations in which no one wins.

Bon Mots: Dierckx says successful negotiators must practise the noble art of losing face often, early and decisively. If this is forgotten, people faced with losing face or losing money will choose to lose money.

Friday. Thursday's dinner, a boisterous banquet, has taken its toll. Walking into class late I am prepared to "lose face decisively" only to discover a sea of similarly pained faces. Larry Weiss, professor of financial accounting, gamely performs the impossible task of making financial ratios appealing. But our liquidity ratios are wrong and we fall the acid test.

Moving to key account management, Prof Charles Waldman's session highlights the importance of finding ways to differentiate products and demonstrates the impact on profitability derived from retaining customer loyalty.

Bon Mots: Quality of market share deserves as much attention as quantity of market share. The best customers should be those which through profitability or other measures deserve most special attention - not those that are necessarily the biggest ones.

Saturday morning. Another session on competitive growth strategy that revolves around pricing. Muzyka promises that if any of the entrepreneurs use their costs as a basis on which to set pricing (as opposed to an assessment of what the market will bear) he will "personally haunt their dreams".

The Owner-Directors' Programme clearly generated a wealth of ideas. Participants contacted a week after the course said their heads were still buzzing and that some of the simpler ideas were already being implemented.

Tony de Lacy, managing director of a £20m distributor in Dublin described the week as a business retreat. "Being the managing director can be quite lonely and this gave me a real opportunity to talk to people who were in the same world," he said.

The test is whether the energy of the course will be translated into action - whether, as Muzyka says, the entrepreneurs will go back to their businesses and "pull the big levers". Time will tell. But by the time some participants are running out of steam or have run into the inevitable problems in carrying their colleagues with them, it will be time to recharge in the course's second week in October.

Food industry's healthy debate

Alison Maitland on criticism of the latest UK campaign

News of a £20m marketing and advertising campaign by the UK food industry to persuade consumers that British food is safe and healthy has run into criticism from industry observers and consumer groups.

Verner Wheelock, visiting professor of food science at Nottingham University and an industry consultant, says the campaign is "a complete waste of time".

Food scares like the beef crisis will continue to plague Britain until the industry adopts a positive approach to health issues, he argues.

He cites manufacturers' reluctance to cut salt in processed foods or to add folic acid to products for pregnant women to help prevent birth defects as examples of the industry missing the chance to improve its image.

The National Consumer Council agrees that "the food industry is reluctant to take the bull by the horns and lead on health issues".

Carmen Taboas, food policy officer, says the campaign appears to miss the broader questions raised by recent food scares about whether health problems are caused partly by production methods such as intensive farming. "It's intensive food production which concerns consumer groups, and whether the new technologies are safe," she says.

John Young of the independent Leatherhead Food Research Association believes the advertising campaign "won't make a jot of difference" because so many food scares are rapidly over. He suggests the campaign could even create unnecessary doubt in people's minds about safety. "I'm not so sure the consumer has a perception of poor quality of food anyway."

Wheelock says a proactive approach by the industry might not boost sales, but nor would it involve a huge advertising budget. "There are lots of little companies that are trying to take an ethical approach," he says, citing Baby Organix, the Dorset-based producer of organic baby foods which was set up in 1992 and now supplies leading supermarket groups.

The ASA said this week that the strength of health claims made for some "functional" foods had begun "to raise complaints as well as eyebrows".

Wheelock's work reflects his interest in health issues. One of his consultancies is with Kluge, a Scottish consultant that produces LoSalt, a salt substitute, and he is working for J. Sainsbury on developing "healthy" products.

He says the government declined to accept a recommendation from its own medical advisers 18 months ago that average sodium intake should be cut by 30 per cent. There were "strong suspicions this was under pressure from the food industry".

"With something like salt, it wouldn't be all that difficult for [the industry] to make some reduction across the board," he says. "They would have had a very positive story to put across about how they're seriously concerned about the health of the nation and are taking action to make a genuine contribution."

Wheelock says Heinz has gradually reduced salt in some of its products, testing this on consumer panels to find out when people taste the difference. "But rather than being positive, most of the industry has been very negative, trying to pick holes in the scientific evidence."

Fortifying flour with folic acid - important in preventing spina bifida in babies - is seen by some specialists as a helpful way of ensuring all women have enough in their diets.


Wheelock says this is an "ideal opportunity" for the bread industry. But the Federation of Bakers told a meeting last year that bakers would not welcome having to add folic acid to bread for the sake of a small proportion of women.

Supermarkets, which have to deal with consumers face-to-face, are very responsive to food scares, he says.

But trailblazing on health issues can backfire for manufacturers. He cites the case of MD Foods of Denmark, which ran into trouble with the Advertising Standards Authority over its claim that its Galo yoghurt could cut cholesterol levels.

The ASA said this week that the strength of health claims made for some "functional" foods had begun "to raise complaints as well as eyebrows".

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FINANCIAL TIMES

Friday June 14 1996



US takes Japan to WTO in dispute over Kodak

By Patti Waldmeir in Washington

The US is to file a complaint against Japan with the World Trade Organisation in its long-running dispute over whether Tokyo has unfairly restricted Eastman Kodak's access to the Japanese photographic market.

The announcement yesterday signals an important shift in the Clinton administration's trade strategy, which had previously focused on negotiating disputes bilaterally with Japan.

Agreements were usually clinched at the last minute under the threat of US trade sanctions. The decision to refer the matter to the WTO reflects sensitivity to criticism by Washington's trading partners of its tendency to resort to unilaterally imposed sanctions.

Kodak brought its complaint against Fuji Photo Film of Japan a year ago under the terms of a US trade law. This permits the administration to impose punitive tariffs if a country is judged to have erected unfair barriers to

the sale of US products. The two film giants have spent millions lobbying for support for their arguments, but the Japanese government has refused to negotiate with the Washington administration.

Ms Charlene Barshefsky, the acting US trade representative, said yesterday that her office's investigation of the Japanese film market had shown that Tokyo had "built, supported and tolerated a market structure that thwarts foreign competition, and in which exclusionary business practices are commonplace".

Washington will challenge Japan at the WTO on the grounds that it is violating the General Agreement on Tariffs and Trade and the General Agreement on Trade in Services through exclusive practices that keep foreign film products from being widely distributed.

Mr Mickey Kantor, the US commerce secretary, stressed the

broader implications of the action. "This is not simply about Kodak and its barriers in Japan. It is about fairness," he said.

By challenging the way Japan does business, the US government will present the WTO with an important test of its ability to rule on complex and subtle non-tariff barriers to trade.

The Kodak case could set a broad precedent that might apply to other Japanese businesses.

However, Washington will also pursue its complaints with Japan's Fair Trade Commission, and has asked Kodak to provide additional information to that body, which in February began a survey of alleged anti-competitive practices in the industry.

Administration officials said they reserved the right to consider other options, possibly including sanctions, if they were unable to win their case at the WTO, a process that is expected to take as much as a year to complete.

Kodak's path to the WTO, Page 5

Germany close to agreement over public sector pay

By Andrew Fisher in Frankfurt

Germany's public sector wage dispute was close to resolution yesterday after arbitrators' proposals gained grudging acceptance from trade unions and went towards meeting employers' demands for a pay freeze.

The compromise deal must be ratified by both sides in a final round of talks next week, but the threat of further strikes in the country's transport, postal, refuse and other services appears to have been averted.

Industrial action was suspended during the three weeks of arbitration over the 4.5 per cent pay claim.

The compromise foresees a 1.3 per cent wage rise in 1997, preceded by a one-off payment of DM300 (\$194) in 1996 - equivalent to 0.8 per cent of average incomes - for each of the 3.2m public sector workers.

Wages for east German employees will rise more slowly than union negotiators had hoped, to 85 per cent of the west German level in September, 1997 from the present 84 per cent.

Mr Manfred Kanther, the federal interior minister leading the employers' team, said the arbitrators' proposals were acceptable. The government had made a pay freeze central to its new austerity policy, aimed at stringent budget savings.

But he said the compromise was "a sign of good sense". It does not include employers' initial demands for sick pay reduction and longer working hours.

The federal, Länder (state) and local authority employers would make a final offer based on the arbitration terms in the final round of talks next Thursday, Mr Kanther said.

The proposals would cost public sector employers DM4.1bn (\$2.6bn), the states and local authorities would bear DM3.5bn and the federal government DM300m.

Mr Herbert Mai, head of the OeTV public sector union, said the proposed deal was a victory for the unions since the negotiations had been carried out against the background of government determination to make stringent public sector budget savings.

The union's negotiating committee indicated it would also accept the terms. The arbitrators said room for manoeuvre had been limited because of the financial problems of federal, state and local employers.

"It was like waiting on a postage stamp," said Mr Carl-Ludwig Wagner, the regional Christian Democrat politician who was one of the arbitrators.

He called the compromise terms "the right signal at the right time". This was not the time for significant wage increases, he added.

Settlements in the private sector, notably in the chemical industry, have all been at or below 2 per cent this year.

THE LEX COLUMN

On a wing and a prayer

Does it still make sense to build regional aircraft in developed countries? Yesterday's warning by Fairchild that it will halve the workforce at its new acquisition Dornier Luftfahrt, coming on top of Fokker's bankruptcy earlier this year, suggests not.

Fokker and Dornier, trapped in high-cost countries like the Netherlands and Germany, are extreme examples. But almost all the world's regional aircraft makers are in the red. This is despite positive fundamentals: air traffic is growing at 5 per cent a year, with much of the demand concentrated at the bottom end of the market as airlines look for smaller, quieter and more flexible aircraft.

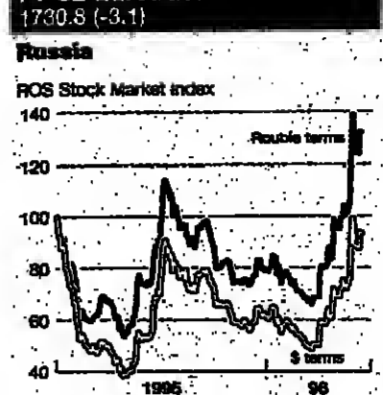
Unfortunately, this rosy picture has been spoiled by vast oversupply. Airlines ordered too many aircraft in the 1990s when manufacturers were offering aggressive financing packages to win market share.

On top of that, the last few years have seen new entrants from developing countries including Brazil, Indonesia and China. To gain prestige and technology, governments in these countries are often prepared to subsidise their aerospace industries.

For western manufacturers the obvious solution is continued rationalisation. The joint venture between British Aerospace, Aerospaciale of France and Italy's Alenia, for instance, is a logical candidate for merger with Airbus, which is largely owned by the same companies.

Sweden's Saab, which is heavily loss-making, also looks in need of a partner. But even mergers are unlikely to do more than delay the shift of production to developing countries.

FT-SE Eurotrack 200: 1730.8 (-3.1)



Source: Datastream

Cash is certainly one thing the group could do with more of. Heavy investment and working capital increases have eaten into cash flow in the past two years and capital spending is still running at nearly twice depreciation. While the opportunities appear to justify that investment and the balance sheet is strong enough to cope, investors may start getting impatient for a pay-back.

After all, the semiconductor market suffers from notorious swings in demand and product life cycles are shortening all the time.

Johnson Matthey's technology and strong market positions make an attractive combination. But on a 20 per cent premium to the market average for this year, the shares look fairly priced.

a second round of voting in three weeks' time, Mr Yeltsin would need to win more than half the first-round vote - an improbable feat. So investors have to weigh their existing gains against the strong probability of market nervousness in the run-up to the second round, and the risk of a communist victory thereafter.

For the nervous, there is a compelling case for taking profits today.

For the same reason, though, next week and beyond could offer attractive buying opportunities for the brave. The communists certainly cannot be written off. But with a Yeltsin victory still the likeliest eventual outcome, any serious jitters following the first round could make the risk/reward trade-off interesting again.

UK takeovers

Better late than never, the Securities and Investments Board, the UK securities regulator, and the Takeover Panel are tackling a thorny issue: the use of derivatives to circumvent existing rules on buying shares in the run up to bids.

The issue arose as a result of some rather nifty footwork by Swiss Bank Corporation, adviser to Trafalgar House in its failed bid for Northern Electric. The use of derivatives allowed Trafalgar to make a profit on the shares when the bid was announced, defraying the cost of a financially-driven bid.

Since investment bankers are paid to find such wrinkles, the regulators are sensibly seeking to enforce principles rather than set rules which could be outmanoeuvred. There are two main issues. First, the Trafalgar case required at least a fudging of the Chinese wall between corporate finance and market-making.

The SIB proposes to put a stop to what would be considered insider trading were it a cash rather than a derivatives transaction. This is entirely logical. Contracts for differences may not confer voting rights, but they do give the bidder a financial interest in the target.

Second, there is the issue of disclosure. Here, the Takeover Panel has also decided that the same level of disclosure should apply whether dealing in derivatives or shares.

Given the current bull market for M&A deals, this tightening up of the framework is particularly important. The ability to use derivatives to defray the bid costs could encourage speculative, financially driven bids which are industrially unsound.

Lex comment on Somerfield, Page 28

Civil wars dominate world's large armed conflicts in 1995

By Bernard Gray in London

All of the 30 large armed conflicts fought around the globe in 1995 happened within national boundaries, according to the Stockholm International Peace Research Institute's yearbook.

These conflicts are increasingly focused on territorial disputes, rather than struggles for governmental control, the Swedish institute said.

Armed disputes included civil wars in Bosnia, Liberia and Somalia. The number of conflicts fell from 32 in 1994, and 36 in 1993, the last year of the cold war, with spending on military hardware falling much faster than the number of conflicts.

This reflected the global dominance of military spending by Nato and Warsaw pact countries during the cold war.

Military research and development spending has fallen by 55 per cent since 1987, according to Sipri. Over that period France, Italy, Sweden and the US all reduced their spending by 25 per cent or more, with only Japan, India and South Korea increasing spending significantly.

Sipri argues that the picture is distorted because of the decline in the very large budgets of western powers. Many developing states continue military spending out of all proportion to any realistic threat they face, and the trend to high spending is often exacerbated by internal tensions.

Some regional spending also remained high in 1995, with the Middle East and South-East Asia notable examples. Malaysia

Top 15 arms exporters

Table with 3 columns: Country, 1994 (\$US), 1995 (\$US). Rows include Russia, France, Germany, UK, etc.

* Ranked in \$US million, 1990 value. Source: Stockholm International Peace Research Institute

increased its defence budget by 6.5 per cent last year and graduated its arms imports.

Overall, the international trade in weapons showed no change in 1995, with the recorded level of trade static at \$22.5bn. The post-cold war trend is for the trade to be concentrated between a few buyers and sellers.

The large arms suppliers are the significant military powers, who are also members of the UN Security Council, and the security relationship between buyers and sellers dictates the pattern of trade.

Of the top six exporters, five are the permanent members of the Security Council, with the list dominated by the US.

Bilateral defence relationships which have grown up as a result of such trade seem largely stable. However, states traditionally supplied with weapons by the western allies have seen the US increase its dominance at the expense of European powers in the past five years.

By contrast, many countries previously supplied by the Soviet Union have found it difficult to establish alternative supply lines.

Sipri Yearbook 1995: Armaments, Disarmament and International Security, OUP, £20pp, £80.

French row over imports of banned feed

Continued from Page 1

meat and bone meal in cattle and sheep feed did not produce a huge surplus of material which Britain had to export since most of it was included in feed for poultry and pigs.

The use of meat and bone meal in feed for pigs and poultry was not banned until March 29 this year when the latest crisis over BSE broke.

"Around 12 per cent of our meat and bone meal production went into cattle feed, all the rest was used in pig, poultry and pet foods, so the effect of the ban was

not devastating," Mr Foxcroft said.

According to France's Le Monde newspaper, the European Commission already knew about the risks to human health from BSE two weeks before the UK government made its fateful statement to that effect.

According to France's Le Monde newspaper, the European Commission already knew about the risks to human health from BSE two weeks before the UK government made its fateful statement to that effect.

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COMPANIES AND FINANCE: EUROPE

Commerzbank takes stake in Wood & Co

By Vincent Boland in Prague

Commerzbank, the German bank, has taken a 26 per cent stake in Wood & Co, an independent stockbroking firm with offices in Prague and Warsaw, and both firms have set up a joint venture to trade in central and east European bond markets.

The acquisition of the stake, the subject of speculation in the market in Prague for some time, is in the form of an equity injection. Terms were not disclosed, but Mr Klaus-Peter Müller, s Commerzbank

main board director, said yesterday it was "not cheap". Mr Richard Wood, a former vice-president of Salomon Brothers in London who founded Wood & Co in 1990, and other partners of the firm, retain 75 per cent. Mr Wood said the firm's book value had increased to \$16m following Commerzbank's acquisition of its stake.

Wood said Wood & Co was the largest underwriter of Polish equity issues and "that's where we need new capital". Wood & Co represented Salomon in Prague up to 1994, when it became an independent operator. It is now one of the leading stockbrokers in the city's growing capital markets and has concentrated on equity trading and research. It is also a primary dealer in Czech government bonds.

The new capital will allow the firm to expand its equity underwriting business, particularly in the Polish market, where it has been active since opening in Warsaw in 1994. Mr Wood said Wood & Co was the largest underwriter of Polish equity issues and "that's where we need new capital".

Telia seeks commitment on cash injection

By Greg Motvor in Stockholm

Telia, the state-owned Swedish telecoms operator, said yesterday it risked being hand-capped in the face of rigorous competition from international and domestic operators unless the government gave it a cash injection of up to SKr10bn (\$1.49bn) for new investment.

Mr Lars Berg, Telia chief executive, said the group - whose domestic market is one of the most liberalised in the world - was no longer able to fund its extra capital requirement internally. It needed to increase annual investment from SKr10bn to SKr12bn for the next five or six years, while profit growth would be undermanned.

"We need capital. Telia is under stress in this highly competitive market," Mr Berg said in an interview. The company's domestic market had been opened to leading international groups, but Telia was suffering because it was blocked from entering many markets where deregulation has yet to occur, he said.

Mr Berg said Telia had been pressing for additional funds for 18 months and it would look weaker and it might limit our ambitions in five or six years' time. Telia has seen its operating income fall and its gross margin contract from 37 per cent to 31 per cent since the Swedish market was deregulated in 1993.

NEWS DIGEST

Cerus still awaits offer for Valeo stake

Cerus, Mr Carlo De Benedetti's French holding company, has still received no firm offer for its strategic stake in Valeo, the French automotive components group, in spite of a string of recent reports linking various companies to the holding. This emerged yesterday as the Italian industrialist presided over Cerus's general shareholders' meeting, a discreet affair, closed to journalists, in Paris's luxurious Plaza Athénée hotel.

Mr De Benedetti said Cerus had taken "no decision" on whether to sell its stake in Valeo, but it did not rule out the sale of any of its holdings if it received an "attractive" offer. In Valeo's case, this is widely interpreted to mean an offer of about FF700 a share. Valeo shares yesterday fell FF3.40, or 1.2 per cent, to FF271.50. Cerus was down FF2.50, or 0.2 per cent, at FF110.

Air France director quits

Mr Pascal Goachet, human resources director of Air France Europe, Air France's domestic partner, resigned yesterday. He was replaced by his deputy, Mr Jacques Rozzen. The company, which is negotiating with employees over a transition plan paving the way for its merger next year with Air France's European operations, said only that Mr Goachet's resignation was "by agreement with the general management".

Rautaruukki beats forecast

Rautaruukki, the Finnish steel group, yesterday announced better than forecast four-month profits and said a falling trend in steel demand and prices was levelling off, and prices could turn higher next autumn. In January-April, Rautaruukki posted a FM37m (\$65.6m) profit before extraordinary items and tax, compared with FM37m in the year-ago period. Analysts had expected FM27m profit.

Sales advanced to FM4.5bn from FM2.9bn. Rautaruukki said the near doubling of its sales was a consequence of the Fundia acquisition, which is now a wholly-owned subsidiary. "There will still be some weakening in prices, but the fall is levelling off and there is quite strong optimism in the sector that the market situation could strengthen in the autumn," said Mr Mikko Kivimäki, Rautaruukki president and chief executive. Prices of some long steel products had already turned higher, he said.

Pizensky Prazdroj looks abroad

Pizensky Prazdroj, the flagship Czech brewing group, has signed a contract with Serenus International, a UK-based consultancy, to develop its international sales and marketing operations, initially in the UK. Serenus was set up two years ago by Mr Christopher Varley, formerly managing director of the European trading operations of Anheuser-Busch, the US brewer. Pizensky, maker of Pilsener Urquell, the premier Czech beer, is the largest and best-known brewer in the Czech Republic. The contract with Serenus is initially for six months.

Cable counts the cost of staying competitive

Expanding technological horizons pose uncomfortable choices for Europe's operators

The cable operators of Europe are facing the biggest challenge in their history as digital satellite television groups prepare to launch systems offering as many as several hundred channels.

At the same time as weighing the cost of moving to digital transmission, the cable companies will also have to contemplate the cost of upgrading their networks for interactive services such as Internet access and telecommunication.

"Cable companies must go digital when the time is right. The question is, when is the right time?" says Mr Hans Larsson, president of Svenska Kabel-TV Sweden and vice-president of the Brussels-based European Cable Communication Association (ECCA).

Mr Larsson faces digital competition in Scandinavia this autumn from Nethold, the international pay-television group. Svenska Kabel does not have to respond immediately, because Nethold - whose main parent is Richemont, the tobacco and luxury goods group - will have few decoders, services or customers at the outset. "We can wait. But we must do it. Everyone must do it [move to digital]," Mr Larsson says.

investments they could face over the next few years. The combination of "going digital" and upgrading networks for telephony could involve investment of hundreds of millions of dollars across Europe.

Even in the UK, where cable companies have been offering telecoms services in competition with British Telecommunications for more than five years, cable operators will now have to consider going digital - which will mean new decoder boxes for every subscriber.

BSkyB, the satellite venture controlled by Mr Rupert Murdoch's News International, has announced plans to launch a digital satellite service in autumn 1997 with an initial 300 channels, that could eventually reach close to 500 channels.

If BSkyB wins the right to show all English Premiership league games simultaneously in return for an "electronic season ticket", cable companies could quickly start to run out of channel capacity.

European cable penetration

Table with columns: All figures in millions, Population, Households, Homes passed by cable, Subscribers. Rows include Austria, Belgium, Denmark, France, Germany, Ireland, Netherlands, Poland, Spain, Sweden, Switzerland.

Source: European Cable Communications Association

Cable networks include Rotterdam, accepts there will be big costs in modernising networks. "We have to compete on services, and our networks aren't able to meet the level of service we need to really be competitive," Mr Wehrmeijer says.

Most European cable operators are just beginning to come to terms with the challenge and potential of cable telephony. Only the UK and Sweden offer a full service, although all cable companies in European Union countries will be able to compete with telephony from the beginning of 1998, if not before.

Christoph Rediffusion's deputy director, told the Jerusalem conference he feared the Swiss PTT would simply undercut cable's telecom price, helped by the high level of cable penetration in Switzerland.

Mr Mary Maher, director of video enabled solutions at IBM (USA) warned that cable companies could go out of business if they did nothing. Many were still focusing entirely on increasing market share, rather than on meeting the coming technological threat.

Mr Peter Kokken, secretary-general of the ECCA, fears that in some cases cable companies might wake up to the competitive threat too late, although he emphasises that most of them have money to modernise and expand. The situation is complicated by the presence of large telecommunications organisations at the heart of the European cable market.

Raymond Snoddy

Shareholders' General Assembly Meeting. Net Dividend: FRF 4 Per Share. Possible Recovery Foreseen in the European Economy. The Usinor Sacilor Dynamic. Creation of a Shareholder's Committee. Meetings in France.

ITOCHU CORPORATION. To the Holders of the Bearer Depository Receipts. Notice is hereby given that the 72nd Ordinary General Meeting of Shareholders of Itochu Corporation will be held at 18.00 am on 27th June 1996, at the Osaka Hotel Office of the company located at 1-3 Kyomachi-3, 4-Chome, Chuo-Ku, Osaka, Japan.

Table with columns: Year ended, Net profit, Dividend, etc. Rows for years 1992 to 1995.

THE ROYAL BANK OF CANADA. NOTICE IS HEREBY GIVEN that for the interest period commencing on 17th June, 1996, the Notes will bear interest at the rate of 6.25 per annum.

Notice to Bondholders. Yangming Marine Transport Corporation. U.S. \$160,000,000. 2 per cent. Convertible Bonds due 2001.

HongkongBank. The Hongkong and Shanghai Banking Corporation Limited. U.S. \$400,000,000. PRIMARY CAPITAL UNDATED FLOATING RATE NOTES.

Stolen bonds hurt confidence in Russia

By Chrystie Fressland
in Moscow and Nicholas
Denton in London

Western investors, inspired by opinion polls predicting a victory for Russian President Boris Yeltsin in Sunday's ballot, have pushed Russian securities to new highs in recent weeks. But the suspension of up to \$100m in government bonds revealed this week suggests that even if Mr Yeltsin keeps the communists at bay, Russia will remain a perilous place for foreign businesses.

The plot of a post-cold-war thriller. According to police documents, in June 1994 at least \$1.2bn worth of Russian government bonds were sold to a person purporting to be an agent for the Chemical Factory in Grozny, the now rubble-strewn capital of the break-away Chechen republic.

At least \$1.2bn of the suspended bonds are, according to Russian police, part of the Grozny Chemical Factory scam. But, to the added consternation of the western investors affected by the case, they have been offered no clear explanation of the story behind the freezing of an additional \$27m-worth. Worse still, the investors have no guarantee they will not receive further notices that more of their bonds are, in fact, stolen. Some

observers estimate the total sum of stolen bonds, including those held by Russians, could be as high as \$100m. The embargo, known to market participants but hitherto unpublished, has already put a damper on the Ministry of Finance bonds market. But bankers say their greater concern is that the case might more broadly erode trust in the Russian government and the securities it issues.

"So many guys who traded with us used to just come into our office with briefcases and plastic bags bulging with bonds," said a Moscow-based western trader. Frustrations have been compounded by the Russian authorities' un-cooperative attitude. Bankers have been bounced between Vneshtorgbank, the government payment agent Vneshekonombank, the Ministry of Finance and the Ministry of the Interior.

Montedison questioned over group strategy

By Andrew Hill in Milan

Italian fund managers yesterday called on directors of Montedison, the industrial holding company, to explain how they intended to make the most of the group's potential, and end alleged conflicts of interest with Ferruzzi Finanziaria (Ferfin), Montedison's main shareholder.

NEWS DIGEST

Bayer denies plan to spin off drugs arm

Bayer, the German drugs and chemicals company, yesterday sought to damp speculation that it was planning to spin off its drugs business into an alliance with another producer. "Substantive talks with potential partners are not taking place," the group said. Until the beginning of last year, Bayer was committed to a future as a fully integrated company. However, it has since said it is "open to all strategic options" in order to give it maximum flexibility in making drugs acquisitions.

Ahold short of expectations

Ahold, the Dutch retailer, said net profits for the 16 weeks to April 21 rose 16.3 per cent from F1 119m to F1 138.4m (\$80.5m). The results were below expectations. Earnings per share rose from an adjusted F1 0.99 to F1 1.11 on sales up from F1 8.56bn to F1 9.48bn. Operating profits increased from F1 233m to F1 274m. Ahold confirmed it expected consolidated net profits for 1996 would further increase.

Cofinec offering oversubscribed

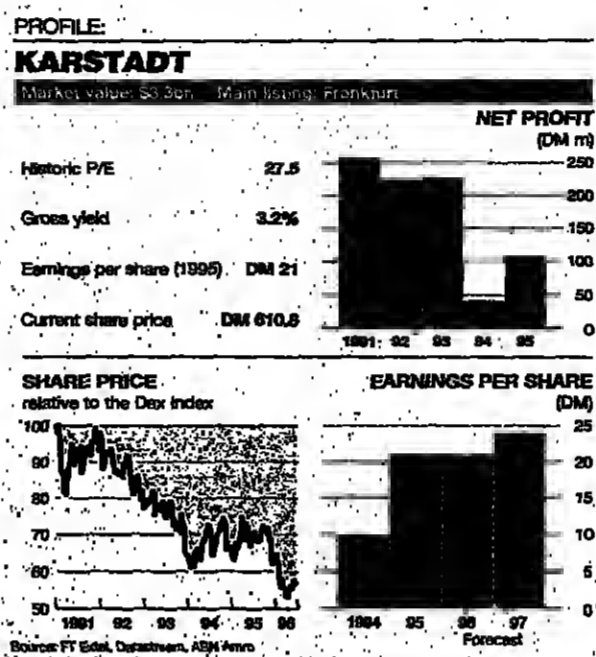
Cofinec, the central European packaging group, has raised more than \$80m in a global share offering that was more than eight times oversubscribed. The group, which was created seven years ago by Mr Stephen Prater, a former Wall Street investment banker, is registered in Paris, where it also has its operational headquarters, and has manufacturing operations in Hungary, the Czech Republic and Poland.

Karstadt chief sees need for cost cuts despite sales rise

Mr Walter Deuss, chairman of Karstadt, the German retailer, said sales in the five months to May reached DM11.2bn (\$7.2bn), up 4.3 per cent from the year-earlier level. AFK News reports from Essen. He said parent company sales rose 1.4 per cent to DM4.88bn, but added that department store sales edged down 0.7 per cent.

In 1996 compared with last year's DM109m. But Mr Deuss declined to comment on the size of improvement for this year. He added that in the first four months of this year, net profit was better than the year earlier period.

Mr Deuss said he expected Hertzle to break even in 1997 after reporting a net loss of DM118.9m in 1995. Retail sales were DM6.7bn, down 2.9 per cent, while mail order sales were DM1.6bn, up 5.5 per cent. Group investment, adjusted for divestments, fell from DM4.4bn to DM365.9m.



Crédit Foncier auditors qualify annual accounts

By Andrew Jack
in Paris

The auditors to Crédit Foncier de France, the troubled specialist property bank, yesterday provided a highly unusual qualification to the 1995 annual accounts circulated to shareholders, which highlighted the complexity of the bank's restructuring.

Deduit et Associés, the two auditing firms employed by Crédit Foncier, said in their report that they were unable to quantify the impact of a series of different elements which explained the bank's FF13.6bn (\$2.61bn) in new provisions.

Their comments came as the French government continued to discuss a series of rescue options, including a possible takeover ahead of a deadline of the end of July set by the minister of economics and finance.

Crédit Foncier reported losses of FF10.8bn for 1995 after taking substantial provisions from changing its accounting policies, reducing

its property assets to current market values and allowing for future costs against some of its loans which it judged unlikely to be recovered. The auditors said they were unable to provide a financial breakdown of how much of the provision was the result of these accounting changes and how much due to new degradations in the property market during the year.

SOLVAY S.A.
The General Meeting of 8th June 1996 approved the distribution for the financial year 1995 of a net dividend of BF 550 on bearer shares. The final dividend of BF 450 will be payable by BF draft, by transfer to a BF account, or in sterling of Bankers' sight buying rate for Belgian Francs on the day of presentation at the option of the holder against presentation of coupon No 57 at the offices of:
Schorler Investment Management Limited
8th Floor, 1 King Edward Street,
London EC1A 7AN
All Coupon Department

Between the hours of 10am and 2pm on or after 20th June 1996 UK tax will be deducted from the net dividend unless lodgements are accompanied by the necessary affidavits. Payment can be made only to persons residing outside the Eidge-Luxembourg Customs Union. Shareholders should note that under the terms of the UK/Belgian double taxation convention Solvay shareholders resident in the UK are eligible, upon submitting a duly completed form 276 DIV, to partial reimbursement of Belgian withholding tax equal to 20 percent of the net dividend.

SRA SOCIETE GENERALE ACCEPTANCE N.V.
- FRF 300,000,000
TIME FLOODED BONDS DUE JUNE 15, 2000
ISIN CODE : XS-0037973418

Notice is hereby given to the Bondholders that, pursuant to the Terms and Conditions of the Bonds Condition 4, "Interest", the rate of interest applicable to the period from June 15, 1995 to June 15, 1996 is 7.50%. This rate of interest has been determined according to the conditions, *vis. vis.*, "The Basis for Interest", in which it is higher of Annual Average of TME - 0.10% or 7.50% per annum". (Annual Average of TME for the above mentioned period being 7.016%).

Therefore, the interest payable against surrender of coupon nr 4 will be FRF 750.00 per Bond in the denomination of FRF 10,000.

The Principal Paying Agent
SOCIETE GENERALE BANK & TRUST - LUXEMBOURG

U.S. \$150,000,000

Bank of Ireland
(Established in Ireland by Charter in 1783, and having limited liability)

Undated Floating Rate Primary Capital Notes

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from June 14, 1996 to September 16, 1996 the Notes will carry an interest rate of 5.675% per annum. The interest payable on the relevant interest payment date, September 16, 1996 will be U.S. \$153.40 per U.S. \$10,000 principal amount.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

June 14, 1996

"Pierre-André Guérillon, 33 has been appointed global head of interest rate derivatives at Union Européenne de CIC

A graduate of EBS, he joined the CIC Group in 1988 as a dealer. He subsequently assumed responsibility for interest rate swaps followed by interest rate options in French francs and Euro.

He is now responsible for interest rate derivatives in all currencies within the Capital Markets Group of UECIC.

"Pierre Curtis, 45, is to head the Treasury operation of UECIC's London Branch.

He joined the CIC Group in 1978 as a dealer, and was subsequently appointed Senior Manager & Treasurer, with responsibility for money market operations. He will now oversee the entire Treasury operation of the London Branch."

To the Holders of
Restructured Obligations
Backed by
Senior Assets, B.V.

Pursuant to the Indenture dated May 1, 1990, as amended and restated as of June 15, 1990, between the Issuer and State Street Bank and Trust Company, as Trustee, notice is hereby given that for the Interest Accrual Period June 10, 1996 through September 9, 1996, the rates applicable to the Secured Senior and Secured Senior Subordinated Floating Rate Notes are 5.83000% and 6.28000% respectively.

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange securities. Such offer is made solely by the Offer to Exchange and Offering Circular dated June 13, 1996 and the related Letter of Transmittal (which together constitute the "Exchange Offer"). The Exchange Offer contains important information which should be read before any decision is made with respect to the Exchange Offer. No such Exchange Offer will be made or solicited, nor shall any securities be sold or exchanged in any jurisdiction in which such Exchange Offer, solicitation, sale or exchange is prohibited by applicable law.

Banco Nacional de México, S.A.

Offer to Exchange up to U.S. \$250,000,000 aggregate principal amount of New 11% Subordinated Exchangeable Capital Debentures due 2003 for an equal principal amount of Outstanding 7% Subordinated Exchangeable Debentures due 1999

The 11% Subordinated Exchangeable Capital Debentures due 2003 (the "New Debentures") and the shares for which they are exchangeable have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, the New Debentures and the shares for which they are exchangeable may not be offered, sold or delivered in the United States or to, or for the accounts or benefit of, U.S. persons.

The Exchange Offer is subject to the terms and conditions set forth in the Offer to Exchange and Offering Circular dated June 13, 1996, and the related Letter of Transmittal. The Exchange Offer is being made to (i) non-U.S. persons (as defined in Regulation S under the Securities Act, located outside the United States and Mexico in reliance on Regulation S under the Securities Act and in accordance with applicable law and (ii) qualified institutional buyers (as defined in Rule 144A under the Securities Act) in a private offering under Section 4(2) of the Securities Act.

Simultaneous with the Exchange Offer, U.S. \$100 million of the New Debentures will be offered for cash purchase (i) outside of Mexico and the United States to non-U.S. persons in reliance on Regulation S under the Securities Act and in accordance with applicable law and (ii) in the United States and to U.S. persons, only to qualified institutional buyers in reliance on Rule 144A under the Securities Act.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 12, 1996, UNLESS EXTENDED.

Questions or requests for assistance or copies of the Offer to Exchange and Offering Circular and the related Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Dealer Managers or the Information Agent, at their respective addresses and telephone numbers set forth below. Subject to certain exceptions, the Offer to Exchange and Offering Circular and the related letter of transmittal may not be delivered in the United States or to U.S. persons.

The Information Agent is:
D.F. King (Europe) Limited
Roxey House
Aldermanbury Square
London EC2V 7HR
44-171-600-5005
or (212) 269-5550
(call collect)

The Joint Dealer Managers for the Exchange Offer are:
Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 3BB
44-171-774-2326
or (212) 902-8200
(call collect)

Merrill Lynch International
20 Farringdon Road
London EC1M 3NH
44-171-667-3700
or (212) 449-4914
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June 14, 1996

Switzerland as a financial centre.

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SWISS EXCHANGE

COMPANIES AND FINANCE: THE AMERICAS

Microsoft steps up intranet war

By Louise Kehoe in San Francisco

Microsoft yesterday unveiled plans to combine its top-selling personal computer software products with Internet technologies to enable businesses to build intranets, internal networks based on Internet standards.

Information feared either on internal networks or on the global Internet. The company also demonstrated Windows NT Server, with built-in tools for authoring and network management, and a search server for document searching.

Microsoft previewed, for example, new versions of Windows, its widely-used PC operating systems, with built-in Internet browser software. Users will be able to search for

information feared either on internal networks or on the global Internet. The company also demonstrated Windows NT Server, with built-in tools for authoring and network management, and a search server for document searching.

Philip Morris sees cigarette sales growth

By Richard Tomkins in New York

Philip Morris, the US tobacco and food group, yesterday predicted that its worldwide cigarette sales would increase more than 20 per cent to 1,000 billion cigarettes a year by 2000, largely as a result of expansion in overseas markets.

Consortium takes control of Brazil car parts group

By Jonathan Wheatley in São Paulo

A consortium formed by component makers Mahle of Germany and Copax of Brazil, and Bradesco, Brazil's biggest private bank, has taken control of Metal Leve, one of Brazil's biggest makers of automotive components.

minority holding. But the deal will allow Metal Leve to grow, irrespective of its ownership. The size of the deal was not disclosed, but is estimated at \$50m-\$60m. Mahle acquires 50.1 per cent of voting capital, Copax 33.1 per cent and Bradesco, which was already a minority shareholder, 15 per cent.

metallic. This is part of the consolidation of the Brazilian industry over the past two years, said Mr Guilherme Lins, vice-president in Brazil of investment bank J.P. Morgan, which co-ordinated the deal.

Disney blasts Baptist boycott

By Christopher Parkes in Los Angeles

Walt Disney yesterday issued an unusually strong challenge to a call for a boycott of his films, products and theme parks from the largest Protestant church in the US.

The boycott call came at a church convention on Wednesday, and signalled anger at Disney's pioneering move last year to extend company health benefits to the partners of its homosexual employees.

"We find it curious that a group which claims to espouse family values would vote to boycott the world's largest producer of wholesome family entertainment," Disney riposted.

resolution was introduced from the floor of the conference after a committee had deleted it because it might make the sect look foolish.

To the Holders of Middletown Trust 10% Notes Series B due 1998

NOTICE IS HEREBY GIVEN that, pursuant to Article Eleven of the General Covenant, for the Sinking Fund due July 15, 1996 U.S. \$20,350,000 of the Notes will be redeemed at 100% of their principal amount plus accrued interest to July 15, 1996, when interest on the Notes redeemed shall cease to accrue.

The redemption price and accrued interest are payable against surrender of the Bearer Notes together with all coupons maturing subsequent to July 15, 1996 at the offices of the Paying Agents outside of the United States listed below on or after July 15, 1996:-

The Chase Manhattan Bank, N.A. Chase Manhattan Bank Luxembourg, S.A. Banque Bruxelles Lambert (Suisse) S.A. Chase Manhattan Bank (Switzerland)

Table listing serial numbers of U.S. \$20,350,000 Bearer Notes to be redeemed as follows. Columns include serial numbers and corresponding note values.

The redemption price and accrued interest on the Registered Notes are payable at the office of the Registrar, Transfer Agent and Paying Agent, The Chase Manhattan Bank, N.A., Corporate Trust Administration, 4 Chase Metrotech Center, Brooklyn, New York, NY 11245.

The Connecticut Bank and Trust Company National Association as Trustee

Cautious Announcement RAND MINES LIMITED (Incorporated in the Republic of South Africa) (Registration No. 01/0058/95) (South Company)

Card issuers go to work at the bank American Express's attack on Visa signals a shifting battleground

Bad debts rise

It may not quite be David against Goliath, but American Express's pugnacious attack in recent weeks on its bigger rival, Visa International, has turned into one of the more intriguing head-to-head battles in the financial services industry.

Last month an American Express complaint presented a senior European Union commissioner to rebuke Visa, a non-profit making organisation owned by banks, over a proposed rule that would have prevented banks in Europe from issuing its rival's cards.

Now the US financial services group has succeeded in taking the battle onto its home turf. The US Justice Department, while not commenting on the specific focus of its interest, says it is looking into "competitive issues involving the prohibition of certain joint ventures in the credit card industry" that seems to point directly to the same Visa rule, which has been in force in the US for some years.

News of the Justice Department's interest follows close on the heels of a Visa International board meeting, at which the payments group decided not to overhaul the rule, but rather to leave it to its regional boards to decide.

American Express's attack signals a shift in the plastic card industry battleground. For years, the US policy of isolation, relying on its own infrastructure, sales channels and brand. Banks were the enemy.

Just how far the ground has shifted became clear last month, when Mr Harvey Golub, American Express's chairman, appealed directly to US banks to consider issuing his company's cards.

That about-face follows a recent series of other moves that have seen Mr Golub move

gains. Most Wall Street analysts do not expect the group's attempts to develop a new distribution channel through banks to have much effect on its earnings in the short term.

It is not difficult to see why. After it ran out of steam in the early-1990s, Mr Golub may have brought growth back to American Express, but the company is still losing market share in the payments industry.

And Moody's Investors Service, the US rating agency, said it expected a continuing decline in credit quality for the rest of the year, despite recent moves by credit card issuers to tighten lending standards.

The increase, though notable, may not spell immediate credit quality concerns at US banks and other card issuers. "There are so many small loans, and lending is so diversified, it's hard to see consumer lending bringing down a lot," says Mr Bill Isaac, a former head of the Federal

Deposit Insurance Corporation. Nevertheless, the greater competition between card issuers has already started eating into the profitability on cards, reducing the margin for error.

Richard Waters

EUROPE FOR SALE: THE PRIVATISATION ERA

Pace of state sell-offs stepped up

The pressures of European single currency criteria are pushing governments ever harder to raise money to reduce fiscal deficits

The sale in November this year of a minority stake in Deutsche Telekom, Germany's giant telecommunications company, is expected to raise more than DM15bn (\$9.8bn), constituting one of the world's biggest share offers. But, according to a new study, published this month, the deal will be simply one of a number of giant privatisations in the pipeline over the next five years.

Table: Europe: Total Privatisation, 1985-95. Columns: Country, \$m total. Rows: Austria (2,081), Denmark (3,583), Finland (1,925), France (34,102), Germany (2,807), Italy (18,971), Netherlands (9,280), Portugal (5,304), Spain (8,255), Switzerland (4,175), UK (since 1977) (94,692).

Table: Total Sector Privatisation in Europe, 1985-95. Columns: Sector, \$ million. Rows: Airports and Airlines (9,140), Banking (22,472), Chemicals (5,444), Electrical Equipment (1,984), Electricity (26,033), Insurance (9,615), Metals and Capital Goods (11,329), Oil and Gas (32,961), Paper and Packaging (1,474), Pharmaceuticals (1,294), Telecoms (40,579).

Table: Outstanding Privatisation Potential as a % of Market Capitalisation. Columns: Country, Potential. Rows: Portugal (108.4), Austria (41.7), Italy (19.8), Spain (14.8), Norway (14.4), Finland (11.1), France (8.3), Sweden (8.3), Germany (5.9), UK (0.5).

Overall, according to the report by Morgan Stanley, the US investment bank, western European governments are set to sell off assets worth between \$250bn and \$300bn over the next five years, more than doubling in nominal terms the amounts raised from privatisation since 1981.

The report says that the sale of shares in companies that are already partially in the private sector will generate \$150bn. Sales of companies that are still wholly state-owned could produce a further \$150bn.

The financial pressures under which most European governments are operating, ahead of the introduction of the single currency in 1999, will be one of the main factors driving privatisation, says the report.

While the UK has been the biggest privatiser to date, accounting for over half of the \$186bn (\$295.4bn) raised since 1981, two countries which are under particular pressures to reduce their fiscal deficits in order to meet the Maastricht criteria for monetary union - France and Italy - are expected to head the list of privatisers.

France, which sold off some \$11.7bn in 1994 and \$4.46bn in 1995, is expected to sell assets equal to a further 8.3 per cent of its equity market capitalisation, for example Italy, which has sold more than \$11bn of assets in the last two years, could sell an amount equal to nearly 20 per cent of its market capitalisation, says the report.

The sale of its oil and gas company, Eni, is the biggest single sell-off specifically identified by the report, with proceeds expected to reach \$32bn.

These same pressures are also leading to an increase in the list of companies and sectors considered suitable for privatisation. In the early years, the largest sales were of companies in sectors exposed to international competition, such as oil and gas and airlines. In 1985, for example, more than half the \$4.15bn raised was from these two sectors.

More recently, the list has been extended into sectors that for various reasons are politically sensitive - highly regulated industries such as electricity generation and distribution, and telecommunications.

"What was a sacred cow one year may not be in years to come," it argues. Although western European governments still have a long list of banks which they want to sell, the largest privatisations relative to the size of the existing market capitalisation of their sectors are expected to take place in telecommunications, transport and utilities. The size of market capitalisation of telecoms companies could increase by 30 per cent, of utilities by 10 per cent, and of transport by a further 30 per cent.

Most western European countries operate toll-free and state-run motorways which could be sold. The majority of railways are still publicly owned, as are most airlines and airports.

"As we near the end of the privatisation pipeline we could well end up with a list of privatisation candidates that prove to be more controversial than in the past. After all, many people still have an emotional attachment towards their national airlines and may feel uncomfortable if it is owned by a foreign carrier," says the report.

Additionally, many public monopolies in these sectors are generally considered to be overstaffed, providing cause for fierce opposition from trades unions. "The road to privatisation is more than likely to result in an increase in the number of redundancies and unemployed as companies attempt to regain competitive advantage," says the report.

It is possible that these kind of pressures could be particularly acute in smaller countries, where the size of future privatised issues dwarf the existing market and play a particularly important role in the economy.

The sales of Portuguese companies like Portugal Telecom, which is expected to raise more than \$1bn, could more than double the Portuguese market's capitalisation. Austria could sell an amount equal to 41.7 per cent of its market capitalisation.

Governments could face difficulties in another area, too. So far the shares of privatised companies have not performed particularly well and they may need to do more to persuade small retail investors and large foreign investors to buy the stock on offer. French and Italian issues have both consistently underperformed since 1990, while the performance of UK issues has also lagged the rest of the market since 1994.

"Taken as a whole... the investor has been a loser more often than he has come out on top," says the report. For that reason, arrangements giving retail investors some protection against a downward movement in prices are likely to figure prominently in European privatisations.

The Spanish government provided protection for investors in Repsol, the energy company, and Argantaria, the banking group, guaranteeing investors against a certain level of loss through the use of simple derivatives.

In addition, governments may have to market their issues more aggressively to foreign investors, especially as they will compete for attention with issues in eastern Europe, eastern Asia and elsewhere.

Richard Lapper, Capital Markets Editor

Performance of privatisation issues since first listing

Table with columns: Country, Company, Annualised Performance (%), Country, Company, Annualised Performance (%). Lists various companies like Rousseei Udel, Telefonica de España, Nordbanken, etc., with their respective performance percentages.

The table only shows those companies which have been quoted since privatisation. The table does not take account of companies which have been taken over. Source: Privatisation International, Morgan Stanley Research

Forthcoming privatisations by sector

Table with columns: Company, Sector, Country, Potential value \$m. Lists various companies like Pechiney, Bank Austria, Creditanstalt, etc., with their potential values.

COMPANIES AND FINANCE: EUROPE

Lyonnaise des Eaux reveals chief's salary

By Andrew Jack in Paris

The chairman of Lyonnaise des Eaux, the French construction, communications and utilities group, was paid FFrs.1m (8979.206) last year, according to information revealed yesterday.

Mr Jérôme Monod received FFrs.1m in his role as chairman and chief executive, and a further FFrs500,000 in payments for his membership of the boards of other companies. He received the same salary in 1994.

The figures, contained in the 1995 annual report circulated at the group's annual general meeting, represent an important step in France, where few companies are willing to reveal the remuneration of top executives.

The report also showed that Mr Monod had been granted the right to subscribe to a total of 106,000 stock options over the last few years, compared with 15,000 at FFrs444 each in 1990, rising to 35,000 at FFrs483 each in 1994.

French law requires companies to report the combined earnings of their top directors, but not to give individuals' figures. Few companies have been willing to go beyond this limited requirement.

A shareholder at last year's annual general meeting called on Mr Monod to disclose his earnings, and later in the year he made the pledge to do so at the 1996 meeting.

However, in spite of his initial undertakings, the latest annual report did not provide individual information for other members of the board. It showed that, collectively, the 14 members of the executive committee were paid FFrs31.4m during the year, up from FFrs28.1m in 1994. Since 1990, they had been granted rights at varying prices to subscribe to more than 283,000 stock options. Non-executive directors received FFrs1.6m in payments for their attendance.

The is part of a broader range of initiatives in the field of corporate governance and ethics taken over the last few months. These include appointing outside directors, distributing codes of ethics, and creating committees covering ethics, auditing remuneration and nominations.

Austrian banking prepares for shotgun wedding

Politicians intend Creditanstalt and First Austrian to merge, despite practical obstacles, writes Eric Frey

The saga of the privatisation of Creditanstalt-Bankverein, Austria's second-largest bank, entered a new and probably decisive phase last week when First Austrian Savings Bank, the country's fourth-largest, proposed that the two combine.

The idea, which has been discussed off and on for the past couple of years in Viennese banking circles, is probably the most attractive of the many proposals that have been put forward in the past four years.

There is little overlap between the two, CA being mainly a commercial and investment bank, while First Austrian has the country's largest retail network. A combination would help consolidate the country's fragmented banking sector as well as creating a second financial force to rival Bank Austria, itself the product of a 1991 merger.

Moreover, the two are also politically compatible, both being on the conservative or "black" side of Austria's still polarised political spectrum.

But there are obstacles to a successful deal. The two are proud institutions with long histories of independence, and neither will easily allow the other to have the upper hand in any alliance, even though CA is nearly three times as big as First Austrian in terms of assets.

The recent history of attempts by both banks at forming alliances is not encouraging. First Austrian negotiated fruitlessly for two years on joining forces with Girocredit, the country's third-largest bank, and was ultimately beaten by a bid from Bank Austria. Creditanstalt has seen off overtures from GE Capital of the US, CS Holding of Switzerland and Allianz of Germany over the past four years.

First Austrian's blueprint calls for creating a joint holding company. It would acquire 75 per cent of the shares of First Austrian from AVS, the foundation that controls it. It would also buy much of the 70 per cent voting stake (49 per cent of the capital) in CA that the Austrian government is trying to sell.

AVS, and other members of an international consortium that was set up two years ago to buy the government's CA stake, would provide much of the holding company's capital, with the remainder coming from a public share offering of the new holding company.

CA directors fear that under such a structure, First Austrian would dominate the venture despite its far smaller size. "The tail is wagging the dog," one CA official says. They also worry about the interests of ordinary investors, who hold more than 50 per cent of the bank's equity.

Mr Walter Fremuth, chairman of the CA supervisory board, says such an outcome is unacceptable and CA would make a counter proposal. That is likely to be for a plain merger, an idea that First Austrian will almost certainly reject because its directors' influence would be swamped in a structure based purely on asset or cash flow valuations.

The recent experience of alliances in Austria's banking sector does not promote optimism. Bank Austria took about four years to implement significant rationalisation after the straight merger of Zentralsparkasse and Laenderbank.

Two years ago, it chose the holding company route, having its controlling foundation acquire 66 per cent of Girocredit and keeping it at arm's length.

Austrian banks

Table with columns: Assets Sch bn, Operating Profit Sch bn, Earnings per share Sch. Rows: Erste Bank (1,200, 1.2, 2.5), Creditanstalt (845.0, 6.1, 82), Girocredit (283, 2.2, 28), First Austrian (283.3, 2.2, 28).

But when Bank Austria wanted to merge some of its units with those of Girocredit and cut costs, it was stymied by the resistance of Girocredit's management and minority shareholders.

Earlier this year, Bank Austria chairman Mr Gerhard Randa engineered a management shake up at Girocredit and named former Austrian finance minister Mr Ferdinand Lacina, theoretically a political ally, as chairman.

But the problems persisted. Mr Lacina was not enthusiastic about Bank Austria's plans to merge the two banks' branches in London and New York. In a recent interview, he cited the need to keep Girocredit's international reputation intact and to protect the minority shareholder interests.

Last month, Girocredit even terminated its co-operation with Bank Austria in investment banking when it sold its stake in the loss-making investmentbank Austria to the parent bank. This means that Girocredit and Bank Austria will soon compete head to head in the underwriting market.

The ruling political parties, which have squabbled over previous proposals for CA's privatisation, appear to have agreed on this issue.

And the need for further consolidation in the industry is urgent.

Another big question over the CA-First Austrian deal is how the funds can be raised to buy the government's stake. At current market prices, that stake is

COMPANIES AND FINANCE: UK

Somerfield plans flotation

By Christopher Brown-Humes

Somerfield, the UK's fifth biggest supermarket chain, is today expected to announce plans for a July flotation that will raise up to £525m (\$803m). The move will reflect a strong recovery at the group which was on the brink of collapse three years ago. Links with its owner, Isosceles - which experienced a severe financial difficulties in the early 1990s after an over-ambitious £2.1bn leveraged buy-out of the company in 1988 - will be severed. It is understood that Somerfield, formerly known as Gateway, expects to achieve a valuation of between £475m and £525m.

This will give Somerfield an enterprise value of £625m to £725m, after including £150m to £200m of debt.

All of the company will be sold, with 80 per cent offered to institutions and the rest to retail investors. It will be one of the biggest non-privatisation issues of the year.

The funds raised will be used to pay off Somerfield's £400m debt, with the surplus being channelled to Isosceles long-suffering creditors.



David Simons, who will receive more than £2m, is credited with putting group on recovery path

After the cash distribution, it is likely that Isosceles will be dissolved and Somerfield will finally escape a legacy that has overshadowed its development throughout the 1990s. Under a bonus scheme, Mr

David Simons, Somerfield chief executive, and four senior directors are expected to receive more than £5m on flotation. Mr Simons, who joined from Sainsbury in 1992, will receive more than £2m. He is

credited with bringing in new management, halting a decline in sales and putting the group on a path to financial recovery. Kleinwort Benson is sponsor and NatWest Securities is broker to the issue.

Sthn Electric promises cut in water prices

By Simon Holberton

Southern Electric, the regional electricity company, yesterday promised that if its recommended offer for Southern Water succeeded it would cut water prices by 4 per cent by April 1998.

The promise was contained in the offer document posted to shareholders in the water utility which serves the south-east of England.

Mr Geoffrey Wilson, chairman of Southern Electric, described the rival bid by Scottish Power as "hostile".

Mr Wilson said the merger of the two companies would add 1m customers to Southern Electric's customer base. The enlarged group would have access to about 3.8m customers.

The promised cut in water charges will mainly come into force in 1999-2000, when prices will be 4 per cent below the maximum allowable level.

In the intervening years Southern Electric has undertaken to keep prices below those permitted, starting with a 1 per cent cut this year.

Scottish Power, which promised a 3 per cent cut for two years beginning April 1998, said the offer showed Southern Electric's "concern about competition in their region". The Scottish group said it had originally recognised the importance of a customer dividend for Southern Water's customers and said "they are now following our lead".

Mr Jim Forbes, chief operating officer of Southern Electric, said it had wanted to announce a customer dividend until it had consulted Ofwat, the water industry regulator.

The group's bid for Southern Water was "phase one" in a far reaching structural change in the UK utilities sector. "Investors are just beginning to realise it," he said.

NEWS DIGEST

Citizens pays \$53m for Farmers

Citizens Financial, the US subsidiary of Royal Bank of Scotland and Bank of Ireland, is to buy Farmers & Mechanics Bank in Connecticut for \$53m.

The deal is Citizens' ninth acquisition since 1992 and the first since the merger earlier this year between Royal Bank's Citizens and Bank of Ireland's First New Hampshire Bank.

The merger left Royal Bank with 76.5 per cent of the enlarged Citizens and Bank of Ireland with 23.5 per cent.

Farmers & Mechanics, a state chartered savings bank with \$540m in assets, strengthens Citizens at the southern end of its New England territory. The deal will be financed from Citizens' own financial resources.

The group is aiming to expand through infill acquisitions, mostly within 100 miles of its headquarters in Providence, Rhode Island. Analysts expect further deals in the Boston suburbs.

Farmers' 12 branches will add to Citizens' 18 branches in Connecticut.

"This acquisition is a logical extension of Citizens' operations in Connecticut, which will considerably strengthen its market position and make it the market leader in important parts of the state," said Dr George Mathewson, Royal Bank's chief executive.

George Graham

German buy lifts Protean

Input from last summer's acquisition in Germany helped Protean, the laboratory equipment and water purification group, lift profits by more than a third in the year to March 31.

The group paid £12.9m for DWA, a privately owned maker and distributor of water purification equipment specialising in renal dialysis. It contributed just over £2m to pre-tax profits of £10.3m (\$15.75m) against £7.5m.

Mr Geoff Spink, managing director, said "Our water businesses are becoming a global operation."

The group lost £200,000 in setting up an Elga operation in the US, where it has entered into an agreement with Fisher Scientific, a leading US distributor. It hopes to break even in the US by the 1997-98 year.

David Blackwell

Hicking Pentecost up 40%

Hicking Pentecost, the textiles group, lifted pre-tax profits more than 40 per cent to £5.4m in the year to March 31.

The group's continuing businesses increased sales by 18 per cent to £77.5m, while the £14.8m acquisition of Blue Mountain Industries, the US industrial threads company, added a further £2.5m, lifting the total 31 per cent to £85.5m.

On an underlying basis - excluding exceptional restructuring charges of £495,000 in 1994-95 - the group lifted operating margins from 7.9 per cent to 8.6 per cent.

NSM hit by US weather

By Patrick Harverson

Low coal prices, severe weather in the US and costs of a legal settlement led to a sharp fall in profits at NSM, the highly geared coal mining group.

Pre-tax profits plunged from £5.04m to just £222,000 (\$340,000) on turnover of £126.5m (£193.3m) in the year to March 31. Operating profits were almost halved to £6.37m (£12.2m).

The group warned in January that it would endure a difficult second half, and the performance - which Mr John Jermaine, chairman, described as "extremely disappointing" - failed to meet the shares, which gained 1p to 51p.

NSM said it was hit by three "unforeseen" problems in the second half. It was advised by its lawyers to settle a claim made against it by the purchasers of Bison, the building materials business sold for £31m in 1991. The settlement cost a total of £2.6m.

In the US, operations were hit by record low coal prices, caused by prolonged unfavourable weather conditions and overcapacity, and by the worst winter in Pennsylvania for 74 years, which disrupted production for six weeks.

Mr Jermaine also said the removal of legal and planning constraints meant it could sell properties in the US and the Netherlands.

JM buoyed by its ceramics joint venture

By Tim Burt

Johnson Matthey, the precious metals and engineering technology group, yesterday reported a 6 per cent rise in profits, following strong demand for its electronic materials and ceramics products.

The company saw pre-tax profits rise from £95.4m to £102.2m (\$156.4m) on higher sales of £2.53bn (£2.18bn) in the year to March 31.

Mr David Davies, chairman, said the improvement was fuelled mainly by increased profits at Cookson Matthey Ceramics, its joint venture with Cookson Group, and maiden contributions of £4.2m from AGL, the US manufacturer of multilayer printed circuit boards acquired last year for \$170m.

That softened the impact of sharply reduced profits in the catalytic systems division,

which fell from £34.5m to £25.2m following the loss last year of a big contract with General Motors. The company, which is locked in a long-running legal dispute with GM, said it had cut the workforce by 13 per cent to 870 and reduced research and development spending.

Mr Davies warned, however, that weak demand and delays on new products would make it difficult for Johnson Matthey

to replace the lost GM business with new sales.

Problems in the catalytic systems business were partly offset by profits of £2.7m (\$4.7m) in the biomedical business, and contributions from precious metals which remained the largest profit centre with £44.6m (\$41m).

Despite some volatility in metals prices and the increased availability of Russian platinum, the division reported

higher sales of £1.93bn (£1.6bn).

Mr Davies said Johnson Matthey remained committed to precious metals, but now regarded the operation in part as a cash generator for its growing businesses - electronic materials and ceramics. Profits in electronic materials rose 36 per cent to £25.5m, despite development costs of £2.2m at Acrist arm, which makes plastic laminates for semiconductor chips.

Three purchases help lift Scapa

By Christopher Price

Scapa Group, which supplies engineered fabrics, rollers and roller covers to the paper industry, reported a 35 per cent rise to £62.3m (\$95.3m) in annual pre-tax profits.

Turnover for the 12 months to March 31 increased 20 per cent to £525.8m, buoyed by three acquisitions. Profits on continuing operations rose 15 per cent to £87.5m on turnover 12 per cent higher at £489.3m.

The acquisitions strengthened its presence in the technical tapes and industrial textiles and filtration markets.

The results were the first in which Scapa received more than half its revenues from non-paper manufacturing markets. Mr David Dunn, chief executive, said it was a trend that would continue. "We will

be less reliant on the volatility of the paper industry and we have added opportunities to our earnings potential."

Expenditure on new products and the acquisitions pushed gearing from 24 per cent to 40 per cent, although interest cover remained at eight times. Mr Dunn said that this year's expenditure was likely to be similar to last year's £80m as it continued to seek expansion. This would take the form of greenfield sites and further acquisitions.

Volatility in the paper industry was reflected in demand for Scapa's products - strong in the first half but more subdued in the second and into the first half of the current year. Mr Harry Tuley, chairman, said he expected the market to recover in the second half.

This announcement appears as a matter of record only.

May 1996



Chiroscience Group plc

Placing and Open Offer

10,306,426 Primary Shares
7,185,799 Secondary Shares

Price 410p Per Share

The undersigned acted as primary underwriter and sponsor to Chiroscience Group plc in this transaction

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Recommended Offer
by
Barclays de Zotte Wedd Limited
on behalf of
Southern Electric plc
(incorporated in England, number 2366879)
to acquire the whole of the issued share capital of
Southern Water plc

Barclays de Zotte Wedd Limited ("BZW") announces on behalf of Southern Electric plc that, by means of a formal offer document (the "Offer Document") dated and posted on 13 June 1996, BZW is making an offer on behalf of Southern Electric to acquire all of the shares in Southern Water plc other than those which Southern Electric already holds or has agreed to acquire. The full terms and conditions of the Offer (including details of the procedure for acceptance of the Offer) are set out in the Offer Document. Terms defined in the Offer Document have the same meanings in this advertisement.

A person who accepts the basic Offer will receive, for every 1,000 Southern Water Shares, £6,311.24 in cash and 526 New Southern Electric Shares and so in proportion for any other number of Southern Water Shares held.

Accepting Southern Water Shareholders may make several different elections: under the Cash Alternative, Southern Water Shareholders who accept the Offer may elect to receive £9,756.54 in cash for every 1,000 Southern Water Shares; under the Additional Share Election, they may elect to receive, subject to availability, additional New Southern Electric Shares instead of all or part of the cash which would otherwise be receivable by them under the basic Offer on the basis of one New Southern Electric Share for every 65p of cash; and under the Loan Note Alternative they may elect to receive, subject to certain restrictions, £1 nominal of Loan Notes for every £1 of cash consideration which would otherwise be receivable by them under the basic Offer.

The Offer is, by means of this advertisement, extended to all persons to whom the Offer Document may not be despatched who hold, or who are entitled to have allotted to them, Southern Water Shares. Such persons are informed that copies of the Offer Document, the Form of Acceptance and Listing Particulars relating to the New Southern Electric Shares to be issued in connection with the Offer are available for collection from The Royal Bank of Scotland plc, Registrar's Department, New Issues Section, PO Box No 859, Consort House, East Street, Bodmin, Cornwall, PL30 9JZ.

The Offer will initially be open for acceptance until 3.00 p.m. on 4 July 1996.

The Offer is not being made, directly or indirectly, in or into or by use of the mails of the United States, Canada, Australia or Japan and neither the Offer Document nor the Form of Acceptance is being mailed or otherwise distributed or sent in or into the United States, Canada, Australia or Japan. The Offer does not extend to any Southern Water 144A ADSs. Further details relating to overseas shareholders are set out at Appendix 1 to the Offer Document.

Neither the New Southern Electric Shares nor the Loan Notes to be issued pursuant to the Offer have been, or will be, registered under the United States Securities Act of 1933, as amended, or under any relevant securities laws of any state or district of the United States, Canada, Australia or Japan. Neither the New Southern Electric Shares nor the Loan Notes may be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan.

This advertisement is not being published or otherwise distributed or sent in or into or from the United States, Canada, Australia or Japan. All persons reading this advertisement (including overseas trustees and custodians) who would, or otherwise intend to, forward this advertisement, the Offer Document or any related documents must not distribute or send them in, into or from the United States, Canada, Australia or Japan, and doing so may render invalid any related purported acceptance of the Offer.

The contents of this document, which have been prepared by and are the sole responsibility of Southern Electric, have been approved by BZW (regulated by The Securities and Futures Authority Limited) for the purposes of Section 57 of the Financial Services Act 1986.

BZW is acting for Southern Electric and for no one else in connection with the Offer and will not be responsible to anyone other than Southern Electric for providing the protections afforded to customers of BZW or for giving advice in relation to the Offer.

The Directors of Southern Electric accept responsibility for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information.

14 June 1996

COMPANIES AND FINANCE: UK

Grid proceeds boost London Electricity

By Patrick Harveron

Proceeds from the sale of its share in the National Grid helped London Electricity to sharply higher annual profits. Pre-tax profits jumped from £173.4m to £276.1m (£422.4m). However, excluding a £117.5m contribution from the National Grid and exceptional restructuring charges of £34.5m, underlying profits were 5 per cent lower at £183.1m (£193.7m). Although a recommended final dividend of 2p took the total to 38.5p (39p), the payment disappointed the stock market which had been hoping for a total dividend of more than 40p, and the shares fell 30p to 650p.

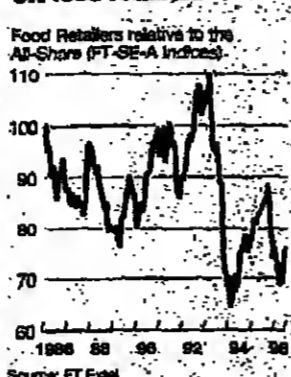
in order to protect profits. Underlying turnover climbed to £1.28bn (£1.31bn), reflecting strong growth in supply revenues, with unit sales of electricity to commercial consumers up more than 40 per cent. Despite the strong growth in the supply business, operating profits from supply fell to £14.2m (£16.9m) because of higher than expected electricity costs. Distribution profits also declined, falling to £182.5m (£168m) after the company reduced charges at the behest of the industry regulator. Profits from private networks rose to £12m. London said this was one of the unregulated businesses it was keen to develop. It recently won the contract to build, own and operate the electricity distribution network for the Channel tunnel rail link. London said it was pursuing collaboration with Thames Water in such areas as purchasing and logistics, information technology, street works and bad debt.

LEX COMMENT Somerfield

UK food retailers

One of the greatest corporate casualties of the UK's over-leveraged 1980s buy-outs is hobbling back to the stock market. And the former Gateway, now renamed Somerfield, has picked a perfect moment for its comeback. Of course, the backers of the £2.1bn buy-out of Gateway may not be ecstatic, having written off all their equity and probably £800m of debt, but it could have been worse. The battle out on the petrol forecourts has meant the big four supermarket groups are loath to pick a pricing fight within the stores themselves, so the trading environment is looking more benign. Meanwhile, as political fears increase, investors are taking a greater shine to the defensive nature of the food retail sector. Of course, one has to wonder why investors should get excited about a food retailer that the big four supermarket groups showed no interest in buying. Somerfield has a portfolio of 600 stores, but it is a mixed bag. It has none of the superstores that have proven the most popular of the food retailing formats, and current planning policy means it is too late. Moreover, it has a comparatively weak brand name and product range, so it will always struggle to entice the consumer. This is evident in the uninspiring 1 per cent sales growth it achieved in the first half of the financial year. Somerfield should at least be able to tell a soothing tale of turnaround benefits and the opportunities for a business that has been held back by a debt-laden parent. But this is a second division retailer and it should be priced accordingly.

Food Retailers relative to the All-Share FT-SE-A Index



Source: FT Econ

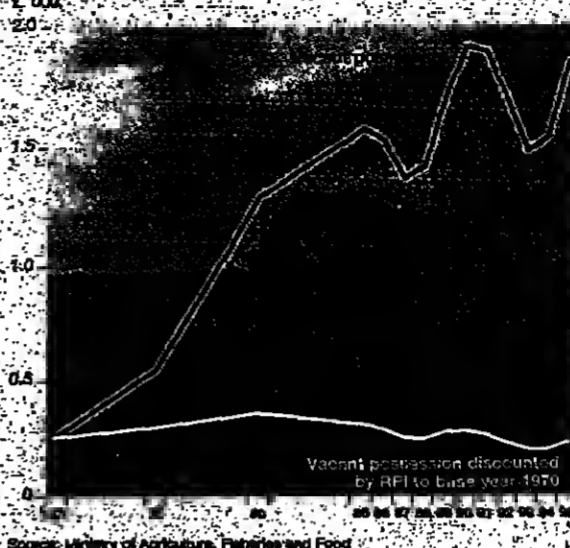
THE PROPERTY MARKET

A fine field for specialists

Simon London looks at the appeal of agricultural land

England's poor crop from land

Average prices per acre for agricultural land in England



Source: Ministry of Agriculture, Fisheries and Food

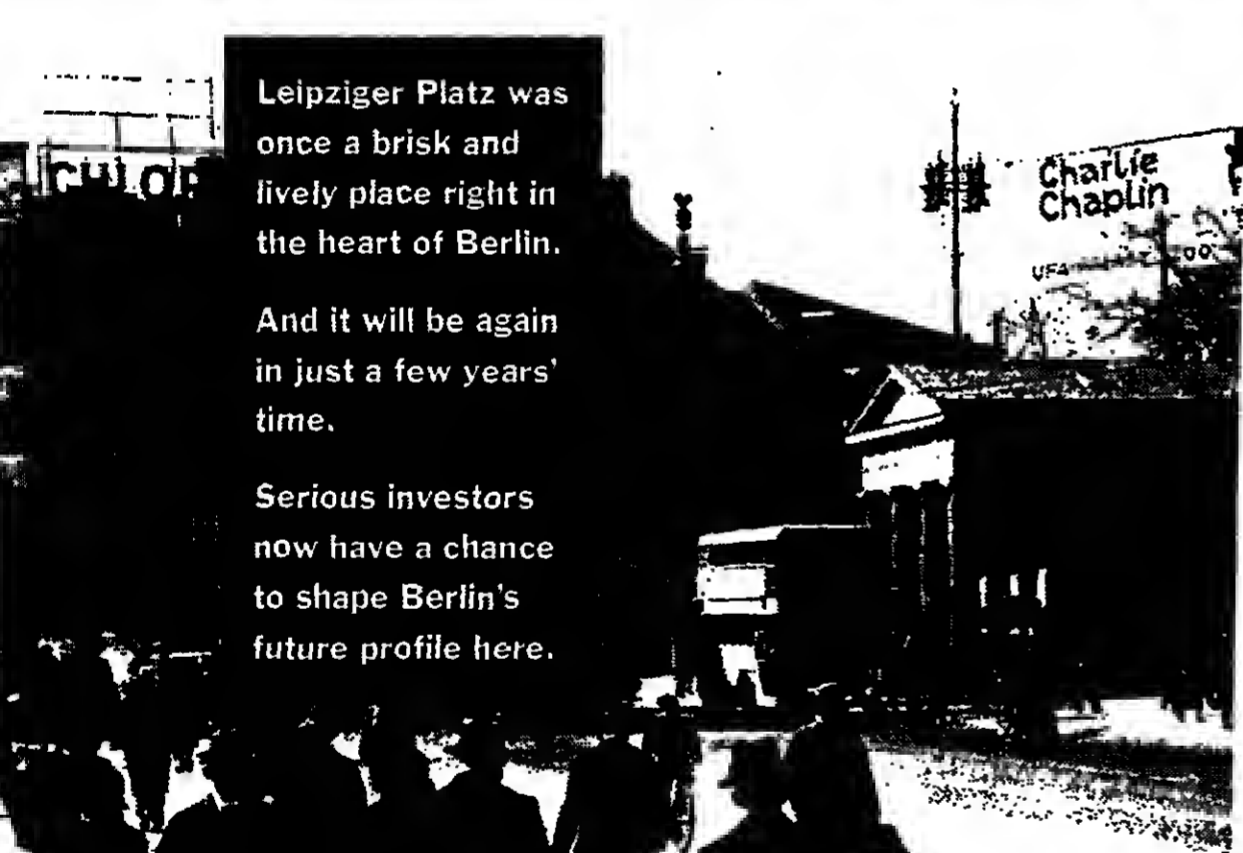
The world of agricultural land makes the commercial property market look like a safe and rational place. Investment decisions are often made on the basis of lifestyle and sentiment rather than discounted cash flow or rate of return. "There are certain landowners who measure their wealth in acres rather than pounds," says Mr Peter Clery, managing director of Lands Improvement Holdings, the agricultural property company which made its stock market debut this week. Official statistics show that prime farm land currently yields about 5 per cent. But many buyers are willing to accept far lower returns because they have a sentimental attachment to an estate. But if many buyers of farmland ignore investment fundamentals, the fundamentals themselves are difficult for many mainstream property investors to grasp. While commercial property is loosely tied to the economic cycle, land prices are driven by factors such as grain prices and the level of the green pound - the rate at which European Union subsidies are translated into sterling. Forecasting these variables is difficult indeed. Three years ago land prices were lower than in the mid-1980s because the green pound was strong and grain warehouses were relatively full. Yet last year land values raced ahead by 20 per cent as grain prices soared - due to a worsening world shortage of wheat, exacerbated by poor weather - and the weakness of the green exchange rate. Against this background most big institutional investors have given up on agricultural land as a bad lot. Institutional capital poured into farm land in the mid- to late-1970s, driving yields down to a low point of 2.5 per cent in 1980. By the late 1980s, though, institutional cash was being withdrawn against a background of falling values, with prime estates changing hands at yields of 6 per cent or more. Specialists such as Lands Improvement and the Church Commissioners are now left to plough a lonely furrow, with pension funds and life insurers making only occasional purchases. Mr Clery maintains that most fund managers did not understand the nature of the asset and did not work hard

farmer has historically changed hands at around half vacant possession value. New Farm Business Tenancies are more flexible. Landlords and tenants can now freely negotiate agreements for any period, with rents decided by market forces. There is a parallel with the housing market, where regulated tenancies - replete with rent controls and security of tenure - are gradually being replaced by unregulated assured shortholds. While it is too early to say for sure how the new rules will affect the market, rents being struck under farm business tenancies are up to twice as high as under the old system. Big landowners can also strike relatively short-term deals with farmers which cover, say, a few weeks for a single crop of lettuce. At the end of the period the landowner can simply take back the fields for a different crop or a different tenant. The overall lesson is that decent return can be earned from agricultural land if investors are willing to invest on sufficient scale and devote sufficient resources to the active management of their estates. Even more than in the commercial property market, it is not enough to simply buy an estate and accept a steady 5 per cent rental yield. Mr Clery certainly believes that the outlook is bright. He points out that even after the spectacular gains of last year - when agricultural land was the best performing UK financial asset - land values are still well below the levels of the 1980s in real terms. The shape of the land cycle from here on depends on unpredictable variables such as the green exchange rate and world grain prices. The long-term impact of policies on the price of agricultural products, which are largely determined by the Common Agricultural Policy, is equally matter for informed guesswork. These uncertainties - combined with the bad experiences of the 1980s - probably mean that the case for farmland will have to be exceptional before most investment institutions consider ploughing cash back into the agricultural market. But this probably suits Lands Improvement, which carved its profitable niche in the 1980s when fund managers were selling out.

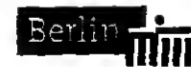
RESULTS

Table with columns: Company, Period, Turnover (£m), Pre-tax profit (£m), EPS (p), Dividend (p), and Total for year. Lists companies like Angloamerica, Brookmount, and others with their respective financial data.

COMMERCIAL PROPERTY



Leipziger Platz was once a brisk and lively place right in the heart of Berlin. And it will be again in just a few years' time. Serious investors now have a chance to shape Berlin's future profile here.



The Land Berlin has resolved to sell seven properties on Leipziger Platz in Berlin-Mitte. The properties in question range in size from 800 to 2,700 square metres and are to be used for residential and commercial developments. BSM Beratungs-gesellschaft für Stadtentwicklung und Modernisierung mbH, acting on behalf of the Land Berlin, invites bids from investors for these properties. Detailed documents of tender are available on request. All bids should be submitted to BSM mbH in a sealed envelope by 19 August 1996.

Advertisement for 'MAJOR EUROPEAN OFFICE COMPLEX FOR SALE' at Dogmersfield Park, Hampshire. Includes details about the property size, location, and contact information for Strutt & Parker.

Advertisement for 'FRANCE' and 'ISTANBUL' real estate opportunities. Includes contact information for EM INVESTISSEMENTS and details about investment properties.

Advertisement for 'London Business Property June 21'. Promotes a special report on commercial property in London, covering headquarter buildings, relocation, and leisure schemes.

Advertisement for 'SPLENDID 18TH CENTURY COUNTRY HOUSE' for sale in Switzerland. Includes details about the property's features and contact information for Hans Leonz Nötter.

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Fax +46 (0) 8 20 68 05

R SALE

COMMODITIES AND AGRICULTURE

LME seeks act changes to increase its market control

By Kenneth Gooding, Mining Correspondent

The London Metal Exchange is calling for changes in the UK Financial Services Act so that it can have more control over users of its markets...

He was speaking at a press conference in London at which he and other exchange executives fielded questions about the LME's copper market...

"These are now global markets," he explained. Mr King said the initiative for the exchanges' network had come from the US Futures Industries Association...

Mr King suggested that the copper market's problems were being caused by irresponsible trading, not manipulation, which is a criminal activity in the UK...

Exchange to launch traded average price options

By Kenneth Gooding

The London Metal Exchange hopes to launch two new contracts in January: traded average price options (taps) for copper and primary aluminium...

These are already being offered to investors by members as over the counter contracts and the LME said yesterday that, by introducing exchange traded taps they would "have greater liquidity..."

The site, developed in conjunction with Cypar Systems, contains extensive details of the LME's membership, services and trading information...

UN body backs greater use of wood

By Frances Williams in Geneva

Faced with a sharp drop in the use of wood, especially for construction, European producers are calling for a concerted information campaign to convince the public of timber's advantages...

of market share is alarming European wood producers and threatening the upkeep of forests. Representatives of 16 countries met last month in Sweden to discuss how to reverse this trend...

1990 levels of 368m cu m. European demand for sawn wood fell by 18 per cent in 1990-93, with US demand dropping by 4.6 per cent over the same period...

ISO members meet next week in Rio de Janeiro to discuss a New Zealand proposal to start work on forest management certification based on ISO's 14001 standard for environmental management.

Crop defenders gather in Leipzig

Geoff Tansey on next week's Leipzig conference on plant genetic resources

Agricultural biodiversity must not be left at the mercy of market forces, according to representatives of six UK-based non-governmental organisations...

attention on improving the genebanks (ex-situ conservation) and not enough on ensuring variety in farmers fields (in situ conservation). Both were needed, "to develop in tandem", argued Mr David Astley...

He also warned that loss of genetic resources was not an issue only for the developing countries. His unit had collected a wide range of varieties of cauliflower from farmers' fields in Italy...

In India, where there had already been large protests about paying for replanting seed from crops farmers grew themselves, "non-co-operation on payment for seeds is going to last", said Ms Shiva. She compared farmers' resentment to that about British textiles at the time of independence.

MARKET REPORT

Nearby copper premiums unwind

Nearby COPPER premiums unwound at the London Metal Exchange yesterday taking some of the heat out of the market, but further volatility probably lay ahead...

But spread business was fairly active, with the cash/ three months premium narrowing to \$130 in late trading, from \$196 on Wednesday...

Some traders expected a sizeable drawdown from LME copper stocks, which could give the market a boost, but if it failed to materialise prices might be back under pressure...

COMMODITIES PRICES

BASE METALS

Table with columns for metal type (Copper, Aluminium, Lead, Zinc, Tin), price change, high, low, and open prices.

Precious Metals continued

Table with columns for metal type (Gold, Silver, Platinum, Palladium), price change, high, low, and open prices.

GRAINS AND OIL SEEDS

Table with columns for grain type (Wheat, Corn, Soybeans, Barley), price change, high, low, and open prices.

SOFTS

Table with columns for soft commodity type (Cocoa, Coffee, Sugar), price change, high, low, and open prices.

MEAT AND LIVESTOCK

Table with columns for livestock type (Live Cattle, Live Hogs, Pork Bellies), price change, high, low, and open prices.

ENERGY

Table with columns for energy type (Crude Oil, Heating Oil, Gasoline), price change, high, low, and open prices.

CRUDE OIL

Table with columns for crude oil type (Crude Oil, Heating Oil, Gasoline), price change, high, low, and open prices.

HEATING OIL

Table with columns for heating oil type (Heating Oil, Gasoline), price change, high, low, and open prices.

GAS OIL

Table with columns for gas oil type (Gas Oil), price change, high, low, and open prices.

PRECIOUS METALS

Table with columns for precious metal type (Gold, Silver, Platinum, Palladium), price change, high, low, and open prices.

JOTTER PAD: A grid for taking notes or calculations.

CROSSWORD

No.9,094 Set by DOGBERRY

Crossword puzzle grid with clues for Across and Down.

LONDON TRADED OPTIONS

Table showing options prices for various commodities like Aluminium, Copper, and Crude Oil.

LONDON SPOT MARKETS

Table showing spot prices for various commodities like Crude Oil, Heating Oil, and Gasoline.

PRECIOUS METALS

Table with columns for precious metal type (Gold, Silver, Platinum, Palladium), price change, high, low, and open prices.

NATURAL GAS

Table with columns for natural gas type (Natural Gas), price change, high, low, and open prices.

UNLEADED GASOLINE

Table with columns for unleaded gasoline type (Unleaded Gasoline), price change, high, low, and open prices.

CRUDE OIL

Table with columns for crude oil type (Crude Oil), price change, high, low, and open prices.

FUTURES DATA

Table with columns for futures type (Futures), price change, high, low, and open prices.

VOLUME DATA

Table with columns for volume type (Volume), price change, high, low, and open prices.

INDICES

Table with columns for index type (Indices), price change, high, low, and open prices.

PRECIOUS METALS

Table with columns for precious metal type (Gold, Silver, Platinum, Palladium), price change, high, low, and open prices.

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CRUDE OIL

Table with columns for crude oil type (Crude Oil), price change, high, low, and open prices.

FUTURES DATA

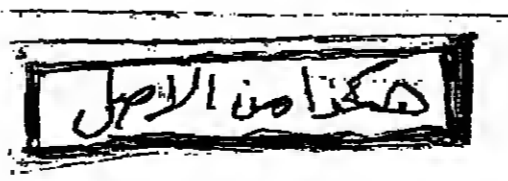
Table with columns for futures type (Futures), price change, high, low, and open prices.

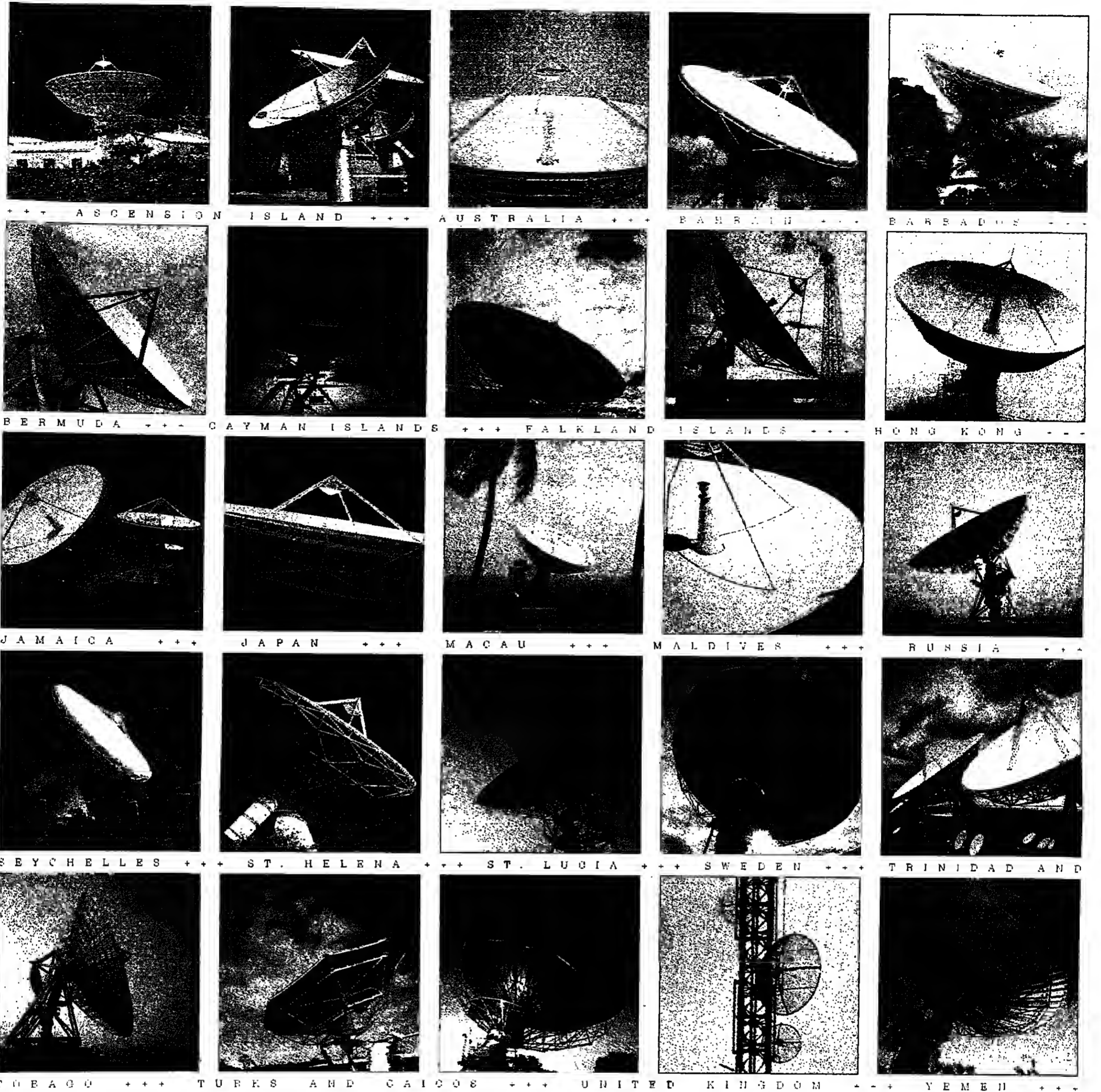
VOLUME DATA

Table with columns for volume type (Volume), price change, high, low, and open prices.

Solution 9,088

Crossword puzzle solution grid.





Great dishes of the world

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If telecommunications are vital to today's world, one name is vital to telecommunications.

Cable & Wireless.

With businesses in over 50 countries, and our own network of high-quality cable and radio links, we're the third-largest carrier of international traffic in the world.

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We helped launch Asia's first privately-financed communications satellite, which has a "footprint" covering almost half the world's

population; we're laying fibre-optic cables linking the UK with Japan; and we're partnering VEBA of Germany to build new businesses in the EU.

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Since Cable & Wireless was launched on the stock market in 1981, our growth in earnings per share and dividends has outstripped the UK average by over 200%*.

Above all, it's a success based on the unique Cable & Wireless mix of advanced technology and unparalleled experience of building trust, effective partnerships and

long-term relationships with governments, businesses and customers alike.

And with telecommunications set to be one of the world's fastest-growing industries over the next decade, we face the future with some very appetising prospects indeed.



CABLE & WIRELESS

*Past performance cannot be relied upon as a guide to future performance

INTERNATIONAL CAPITAL MARKETS

US Treasuries fall back after early gains

By Lisa Branstetter in New York and Richard Lapper in London

US Treasury prices were nearly flat in early trading yesterday after spiking briefly on retail sales figures that were nearly in line with economists' expectations.

83 basis points yesterday. Retail sales rose 0.8 per cent in May, just below the median economic forecast for a 0.9 per cent gain in sales last month.

performance by short-dated paper. At Liffe there was heavy selling of back months of the euro-mark contract. The June and September 1997 contracts were hit closing at 95.62 and 95.27, both down 0.18.

futures contract drifted lower, closing at 94.93, down 0.43. Mr Alex Cooper, a director with Credit Lyonnais Rouse, reported that US funds were active sellers of both the bond and other European contracts at Liffe earlier in the day.

losing ground after the opening of the US market. At Matif, the June 10-year notional contract settled at 122.50, down 0.33.

Daimler in DM750m equity-linked bond offer

By Antonia Sharpe

A Daimler equity-linked bond offering from Daimler-Benz, the German industrial group, raised expectations yesterday that it was the first of many such offerings from German companies.

The German government yesterday announced plans to issue a net DM20bn of a year of short-term government bills as part of an overall policy aimed at strengthening the country's financial markets ahead of European monetary union.

Baden-Württemberg deal stars in slow day

By Corinne Middeldorp

A benchmark dollar deal for Baden-Württemberg L-Finance was the highlight of an otherwise slow day in the euro-bond market.

remained unchanged from its launch level at 16 basis points over Treasuries. "People are buying 5-year paper at the moment, and after seeing the strong performance of recent dollar deals from the World Bank and Council of Europe, they were looking for this deal to perform," he said.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Spread, Book-runner. Includes entries for US Dollars, D-Mark, Swiss Francs, French Francs, Australian Dollars, and ECU.

INTERNATIONAL BONDS

bonds via joint bookrunners J.P. Morgan and Merrill Lynch. Despite its relatively aggressive pricing compared with recent issues from other German financial institutions, such as DSL and Südwestdeutsche Landesbank, the issue was fully placed by the time it was priced, a J.P. Morgan official said.

Argentina's guild offering, the first public deal in that currency by an emerging-market borrower, was set at \$1250m and priced at 308 basis points over Dutch state loans - at the lower end of the indicated 305-320 basis-point range.

ing 39 basis points over the interpolated French government bond yield curve. Lead manager Société Générale reported demand from institutional investors keen to pick up some yield.

FT-ACTUARIES FIXED INTEREST INDICES

Table showing fixed interest indices for UK Gilts, US Treasuries, and other international bonds, including columns for Price Index, Yield, and various maturity periods.

FT-ASIA INTERNATIONAL BOND SERVICE

Table listing international bond issues from Asia, including issuer, amount, coupon, price, and maturity.

WORLD BOND PRICES

Table of benchmark government bonds for Australia, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Portugal, Sweden, UK Gilts, and US Treasury.

EURO FUTURE OPTIONS (LFFE) DM250,000 points of 100%

Table of Euro future options for various currencies and maturities, including columns for Price, Call, Put, and various dates.

FT FIXED INTEREST INDICES

Table of fixed interest indices for various countries and currencies, including US, UK, and other international markets.

BOND FUTURES AND OPTIONS

Table of bond futures and options for France, Germany, and UK Gilts, including columns for Price, Call, Put, and various dates.

US TREASURY BOND FUTURES (CBT) \$100,000 25nds of 100%

Table of US Treasury bond futures for various maturities, including columns for Price, Call, Put, and various dates.

OTHER STRATEGIES

Table of other strategies for various international bonds, including issuer, amount, coupon, price, and maturity.

UK GILTS PRICES

Table of UK Gilts prices for various maturities, including columns for Bid, Offer, and various dates.

OTHER FIXED INTEREST

Table of other fixed interest instruments for various countries and currencies, including columns for Price, Call, Put, and various dates.

Five to Fifteen Years

Table of five to fifteen year bond yields for various countries and currencies.

Prospective real redemption rates

Table of prospective real redemption rates for various countries and currencies.

CONVERTIBLE BONDS

Table of convertible bonds for various companies and currencies, including columns for Issued, Bid, Offer, and various dates.

Five to Fifteen Years

Table of five to fifteen year bond yields for various countries and currencies.

Other Fixed Interest

Table of other fixed interest instruments for various countries and currencies.

CONVERTIBLE BONDS

Table of convertible bonds for various companies and currencies.

Financial Times Ltd. 1996. Reproduction in whole or in part is prohibited without written consent. Data supplied by International Securities Market Association.

MARKETS REPORT

US dollar held back by signs of D-Mark strength

By Graham Bowley

Expectations of a turn in the German interest rate cycle again held the dollar back on the foreign exchanges yesterday as it failed to push through key technical levels against the D-Mark.

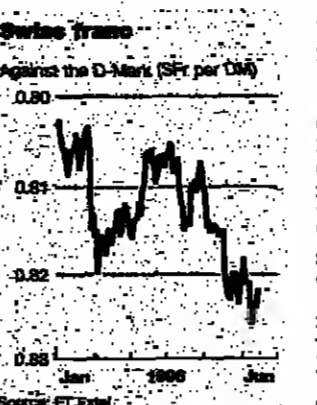
The Swiss franc strengthened slightly, although the country's finance minister said there was a good chance the currency would soon resume its recent weaker trend.

The pound fell in spite of figures which showed inflation fell to its lowest rate for 20 months in May. Economists said the figures provided further justification for last week's quarter point cut in UK interest rates.

The Mexican peso continued to weaken. Analysts said expectations of a rise in US interest rates were triggering investment flows out of the country.

The Bundesbank left interest rates unchanged after its regular policy meeting. The repo rate, the central bank's key monetary market rate, was also held steady at a fixed rate of 3.3 per cent.

The dollar finished in London broadly unchanged at DM1.536. Against the yen, it closed at ¥109.2, from ¥109.4750.



Against the D-Mark (DM per US\$)

Mr Kiril Shah, chief strategist at Sanwa International in London, said the possibility that the US authorities could raise short-term interest rates as early as next month meant that the outlook was still favourable for the dollar.

But analysts predict that some currencies - such as the Swiss franc, the dollar and sterling - could benefit as "safe havens" closer to the election.

Table with columns: Country, Bid/offer, High, Low, etc. for various currencies including Europe, Americas, Pacific/Middle East/Africa, and Asia.

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Table with columns: Country, Bid/offer, High, Low, etc. for various currencies including Europe, Americas, Pacific/Middle East/Africa, and Asia.

Table with columns: Currency, Bid, Offer, etc. for various currencies including Belgium, Denmark, France, Germany, Italy, etc.

Table with columns: Currency, Bid, Offer, etc. for various currencies including Japan, Korea, Taiwan, etc.

Table with columns: Currency, Bid, Offer, etc. for various currencies including UK, US, etc.

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WORLD INTEREST RATES

Table with columns: Country, Over night, One month, Three months, Six months, One year, etc. for various countries including Belgium, Denmark, France, Germany, etc.

EURO CURRENCY INTEREST RATES

Table with columns: Currency, Bid, Offer, etc. for various currencies including Belgium, Denmark, France, Germany, etc.

THREE MONTH EURO CURRENCY INTEREST RATES

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Advertisement for 'adshank plan' and 'rt-term bills policy switch'.

Advertisement for Johnson Matthey featuring the logo, 'FULL YEAR RESULTS 1996', and a table of financial highlights for 1996 and 1995.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES
 ...
BANKS, MERCHANT
 ...
BANKS, RETAIL
 ...
BREWERIES, PUBS & REST
 ...
BUILDING & CONSTRUCTION
 ...
DIVERSIFIED INDUSTRIALS
 ...
ELECTRICITY
 ...
BUILDING MATS. & MERCHANTS
 ...
ELECTRONIC & ELECTRICAL EQPT
 ...
ENGINEERING, VEHICLES
 ...
EXTRACTIVE INDUSTRIES
 ...
ENGINEERING & ELECTRICAL EQPT - Cont.
 ...
EXTRACTIVE INDUSTRIES - Cont.
 ...
HOUSEHOLD GOODS
 ...
INSURANCE
 ...
INVESTMENT TRUSTS
 ...
FOOD PRODUCERS
 ...
ENGINEERING - Cont.
 ...
FOOD PRODUCERS - Cont.
 ...
GAS DISTRIBUTION
 ...
HEALTH CARE
 ...
INVESTMENT TRUSTS - Cont.
 ...
INV TRUSTS SPLIT CAPITAL
 ...

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 For contact hire and vehicle management

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LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for name, price, and other financial data.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for name, price, and other financial data.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for name, price, and other financial data.

PROPERTY - Cont.

Table listing property companies with columns for name, price, and other financial data.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for name, price, and other financial data.

AIM - Cont.

Table listing AIM companies with columns for name, price, and other financial data.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for name, price, and other financial data.

INVESTMENT COMPANIES

Table listing investment companies with columns for name, price, and other financial data.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for name, price, and other financial data.

OIL INTEGRATED

Table listing oil integrated companies with columns for name, price, and other financial data.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies with columns for name, price, and other financial data.

PROPERTY

Table listing property companies with columns for name, price, and other financial data.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for name, price, and other financial data.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and other financial data.

TOBACCO

Table listing tobacco companies with columns for name, price, and other financial data.

TRANSPORT

Table listing transport companies with columns for name, price, and other financial data.

WATER

Table listing water companies with columns for name, price, and other financial data.

SOUTH AFRICANS

Table listing South African companies with columns for name, price, and other financial data.

CANADIANS

Table listing Canadian companies with columns for name, price, and other financial data.

AMERICANS

Table listing American companies with columns for name, price, and other financial data.

Advertisement for Rockwell Avionics: 'In Europe's crowded skies, Rockwell Avionics plays a key role in promoting safety and efficiency. Rockwell logo and text.

GUIDE TO LONDON SHARE SERVICE

Notes for the London Share Service delivered by FT Data, a member of the Financial Times Group. Contains information on data sources and methodologies.

- List of symbols and abbreviations used in the share service tables.

Additional notes regarding data accuracy and reporting standards.

Information about the FT Free Annual Reports Service.

Information about the FT Company Focus service.

Information about the FT Cityline service.

Handwritten Arabic text at the bottom of the page.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4278 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Fidelity Currency Funds Ltd and various international and equity funds.

BERMUDA (REGULATED)

Table listing Bermuda regulated funds including various equity and international funds.

GUERNSEY (SIB RECOGNISED)

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IRELAND (SIB RECOGNISED)

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Handwritten Arabic text: "سكنا من الاجل"

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 679 4378 for more details.

Main table containing various fund listings with columns for fund names, prices, and performance metrics. Includes sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

MANAGED FUNDS NOTES
Please see the notes on pages 36 and 37 of this supplement for more details on the funds listed in this section.

Handwritten Arabic text at the bottom center of the page.

LONDON STOCK EXCHANGE

MARKET REPORT

Equities stifled by bond market uncertainty

By Steve Thompson, UK Stock Market Editor

A new bout of encouraging economic news could do nothing to prevent a modest sell-off in both London and New York yesterday.

Both markets took their cues from another nervous trading session in bond markets across the globe and were additionally unsettled by growing unease over the forthcoming Russian presidential election.

The Russian poll, which many see as having the potential for a return to Communist rule, is seen by international market strategists as likely to cause the most disruption to the

German bund and equity markets. "Any big pressure on those markets and we could be in for a hot time," said a senior trader at one of the big European securities houses.

Dealers in London stocks said they had made every effort to reduce their trading books ahead of the weekend, with one eye on the news from Russia and the other on the next set of economic news from the US - industrial and manufacturing production for May due today.

UK inflation figures for May came in slightly below consensus forecasts and the general feeling around the market was that the chancellor's speech at the Mansion House

on Wednesday evening had gone down well, focusing on low inflation and low interest rates.

The FT-SE 100 index ended the day a net 7.5 off at 3,761.7, well above the session low. The FT-SE Mid 250 index, however, was rarely pressured and finished 0.6 up at 4,468.0.

The big institutions were said to have held back from the market, which some of the more bearish observers see as having the potential to retrace to around the 3,650 level on the FT-SE 100.

Renewed weakness in the US bond market overnight drove the yield on the long bond up to its highest so far this year, and pro-

moted renewed unease in the gilt market at the outset.

Opening some 6 points lower, the Footsie attempted to gather itself for a rally early in the session but ran into pockets of selling pressure that increased in size throughout the morning.

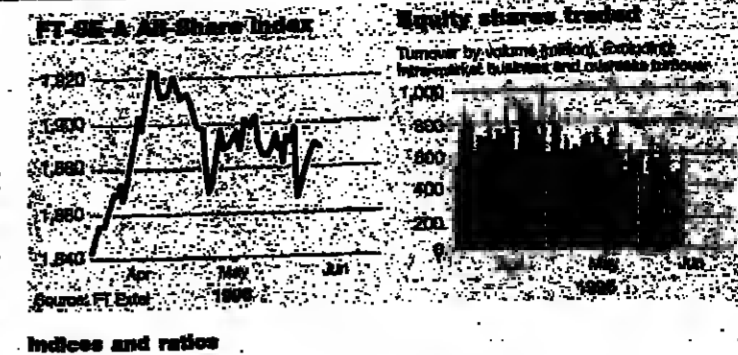
At its worst, the index was down 15.5 points, but it then embarked on a hard fought rally which left the index well clear of the low at the close of play. The Dow Jones Industrial Average was down by some 20 points shortly after London closed, in spite of the lower than expected retail sales numbers.

Consumer stocks were well to the fore yesterday, responding to the

recent British Retail Consortium survey, which reported a 6.2 per cent increase in high street sales in May.

A number of powerful brokerage houses gave a push to Asda, projecting the stock to the top of both the FT-SE 100 performance and turnover tables, while there were good gains too in Marks and Spencer, Granada and Boots. Prudential featured on the upside as the market began to doubt the chances of an early acquisition and therefore the need for a big cash call.

Turnover amounted to 753.9m shares, while the value of customer activity on Wednesday picked up well to reach £1.76bn.



Indices and ratios table with columns for Index Name, Value, Change, and Ratio.

Futures and Options table with columns for Index Name, Open, Settle, Change, High, Low, and Volume.

Trading Volume table with columns for Stock Name, Volume, and Change.

FT Gold Mines Index table with columns for Index Name, Value, Change, and High/Low.

FT-SE Actuaries Share Indices table with columns for Index Name, Value, Change, and High/Low.

FT-SE Actuaries All-Share table with columns for Index Name, Value, Change, and High/Low.

Hourly movements table with columns for Index Name, Open, High, Low, and Close.

FT-SE Actuaries 380 Industry baskets table with columns for Basket Name, Value, Change, and High/Low.

Hourly movements table with columns for Index Name, Open, High, Low, and Close.

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Hourly movements table with columns for Index Name, Open, High, Low, and Close.

Asda up on broker buy tips

Brokers' buy recommendations and favourable market share data combined to drive Asda Group forward.

The shares topped the list of the day's best performers as they put on 2% to 120 1/2p, in an active session that brought turnover of 23m, the highest individual total of the day.

The market was cheered by figures released late on Wednesday by AGB, the market consultants. They showed that in the four weeks to June Asda had raised its share of the UK food retailing market by 1.4 percentage points on the same period a year ago.

Sentiment was further enhanced by recommendations from Robert Fleming Securities, SGST, NatWest Securities, UBS and Kleinwort Benson.

In a sector review entitled 'Sheil Life', analysts at Kleinwort said they favoured the stock because of the strong trading revealed by the market share figures; the group is likely to beat current market

profits estimates, when it reports figures shortly. They also pointed out that Asda is on a similar rating to Tesco and Sainsbury, yet it is growing much faster than they are.

Dealers also reported switching out of both Tesco and Sainsbury and into Asda. Shares in Tesco fell 4% to 310 1/2p in volume of 11m, while those in Sainsbury eased 1% to 397 1/2p, with turnover reaching

4.7m. ABN Amro Hoare Govett was said to have been a seller of Sainsbury.

Pru recovers

Prudential moved higher after SBC Warburg said the stock had been oversold.

Warburg hosted a presentation held by the company for institutional investors on Wednesday night. And the insurer is believed to have said it is not desperately keen to pay a high price to involve itself in sector consolidation.

Pru shares have been overshadowed recently by the prospect of a big rights issue to fund an acquisition.

Also, Warburg pointed out that the Pru had underperformed the market by 7 per cent over the past month. Thirdly, US credit ratings agency Standard & Poor's has affirmed its AA+ senior debt ratings of Prudential Corp.

Finally, a buyer of 5m shares at the start of trading yesterday created an appetite for the stock. The shares gained 6% to 419 1/2p. However, at least one of the perceived takeover targets took a knock. Guardian Royal Exchange fell 8 to 267p on heavy turnover of 10m shares.

Cookson slides

Conglomerates stayed firmly out of favour, with Cookson Group falling more than 4 per cent and the four sector leaders all prominent at the bottom end of the Footsie rankings.

Worries about slowing demand in increasingly competitive electronics markets, notably in the US, have led a number of brokers to downgrade profits estimates at

Cookson. Hendersson Crosthwaite and ABN Amro Hoare Govett both moved lower.

ABN Amro claimed to be at the top of the range of City forecasts, came down by 5 1/2p to £221m for this year.

The US semiconductor book-to-bill ratio edged up in May from 0.81 to 0.84, but remained visibly shy of the neutral level of 1. "FKI is facing tough trading over the first half of this year," said one analyst.

Cookson weakened 13 to 307p in the heaviest volume for five years. Turnover was 17m shares. BTR dipped 3% to 265 1/2p, a four-year low for the shares, and Tomkins came off 4% to 249 1/2p.

The prospect of a political showdown in the utilities sector was reignited by comments from London Electricity as it unveiled its results.

Analysts said Sir Bob Reid, the chairman, fired a warning shot at the opposition Labour

party's proposals for a windfall tax on profits. Apparently, he argued that the company made a good job of keeping the lights on in London and hinted that, if a tax were imposed, it would be the customer that suffered.

That, combined with a final dividend up 21 per cent but still slightly down on forecasts, sent London's share price down 30 to 632p. Elsewhere in the sector, Southern Electric dipped 33 to 683p and Yorkshire Electricity 12 to 74p.

BAA fell sharply for the second day running, as concern about the airport group's impending regulatory review deepened.

"There really is a void of knowledge at the moment. Even a small shift from the present landing fees formula of RFI minus 1 per cent could add up to around 5 per cent of BAA's total profit," said one analyst yesterday. Down 8 on

Wednesday, the stock came off a further 15 to 463p.

Some brokers suggested that the group could unveil a deal this month, and that it would be in the £75m to £100m range. "FKI could spend up to £300m with only a modest impact on gearing," said one analyst.

The upbeat results sparked broker upgrades. NatWest Securities pushed up by £3.5m to £108.5m. The shares closed on Wednesday at 179p to top the FT-SE Mid 250 performance charts in volume of 12m.

Catering company Compass Group rose 11 to 614p in trade of 1.3m. The rise was attributed to a squeeze, with the stock now edging closer to being listed in the premier FT-SE 100 index.

Retailer favourable data for retailers continued to boost some of the leading issues in the sector. Marks and Spencer was among the day's strongest performers and the shares gained 8% to 474 1/2p. Volume was 5m. Kingfisher rose 6 to 627p, while Storehouse was also boosted by the sale of its casual wear chain Blazer to Moss Bros. The former firm rose 7 to 325p and the latter surrendered 32 to 116p.

British Gas closed 4 cheaper at 187 1/2p ahead of the company's reply to the official regulator's pricing proposals.

Confirmation that Orange is to enter the Footsie led to a day of above average volume. The shares added 3 to 262 1/2p in 16m traded. Rival mobile phones group Vodafone dipped 4 to 237 1/2p.

Broker recommendations lifted Glaxo Wellcome again.

FINANCIAL TIMES EQUITY INDICES

Table with columns for Index Name, Value, Change, High, and Low.

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Southern Electric advertisement featuring a logo and text: "Our fifth full year since flotation has seen further exceptional progress towards our strategic objective to lead the industry in the range and quality of our service to customers and to achieve the lowest operating costs in the sector." Includes financial highlights and a chairman's name, Geoffrey Wilson.

Large table containing various financial data, including FT-SE Actuaries Share Indices, FT-SE Actuaries All-Share, Hourly movements, and FT-SE Actuaries 380 Industry baskets.

WORLD STOCK MARKETS

Main table of world stock markets including sections for EUROPE, ASIA, PACIFIC, and US INDICES. Each section lists various stock indices and individual company shares with their respective prices and changes.

Advertisement for Peregrine Global Distribution. Text: 'Asian Focus. Global Distribution. Peregrine has the world's largest team dedicated to the international distribution of Asian securities.' Includes the Peregrine logo.

Table of financial indices and futures markets. Includes sections for INDICES, US INDICES, and INDEX FUTURES. Lists various market indices like the Dow Jones, Nikkei, and S&P 500, along with their values and changes.

4 pm EST June 13

NEW YORK STOCK EXCHANGE PRICES

Main table of stock prices with columns for stock symbols, prices, and changes. Includes sections for various market indices and individual company shares.

Race to Market advertisement for HP and Packard computers, featuring a computer monitor and keyboard. Text includes 'If the business decisions are yours, the computer system should be ours.' and 'http://www.hp.com/computing'.

Continued on next page

NYSE PRICES

Table of NYSE stock prices with columns for stock name, price, change, and volume. Includes sub-sections for 'Continued from previous page', 'T', 'U', and 'X-Y-Z'.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market stock prices with columns for stock name, price, change, and volume. Includes sub-sections for 'L', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z', and 'A-Z'.

AMEX PRICES

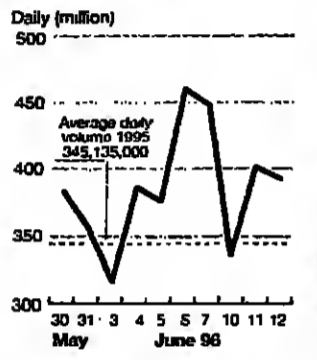
Table of AMEX stock prices with columns for stock name, price, change, and volume. Includes sub-sections for 'A-Z' and 'A-Z'.

Advertisement for Switzerland with text: 'Have your FT hand delivered in Switzerland. Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day.'

Continuation of NASDAQ National Market stock prices from the previous page, including sub-sections for 'A-Z' and 'A-Z'.

AMERICA Quantum warning hits tech shares

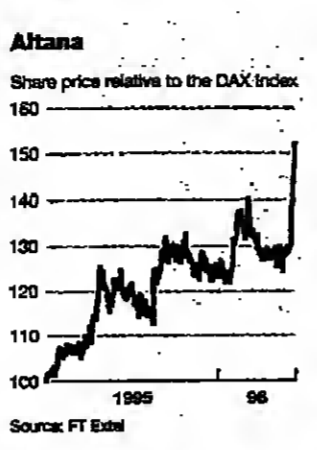
Technology shares slid in early trading yesterday, and the weakness spread to blue chips amid more fears of weakening demand for personal computers...



Shares of personal computer makers were also lower. Dell Computer lost \$1 1/4 at \$53 1/2, Gateway 2000 shed 1 1/4 at \$38 1/2...

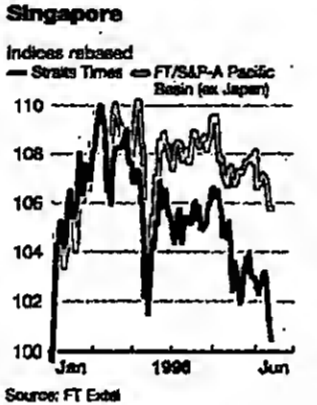
EUROPE Broker sees 'overblown reactions' in Frankfurt

Mild weakness in bonds and a lower Dow offset what one broker described as an 'overblown reaction' to news from the German chemicals and retailing sectors...



ASIA PACIFIC Region volatile, Singapore drops to five-month low

An early sell order for blue chips by a US broker and the expected reduction of weighting of Singapore and Malaysian shares in the Morgan Stanley Capital Index took SINGAPORE to a five-month low...



minority shareholders. But Crédit Lyonnais certificates ran high in the losers' list, falling FF12.90, or 10 per cent, to FF116.30...

Table with 2 columns: FT-SE Actuaries Share Indices and THE EUROPEAN SERIES. Rows include various indices like FT-SE 100, FT-SE 250, etc.

Roundup

Hard currency B shares rocketed 10.9 per cent in SHENZHEN after the Guangdong government said it planned perks for the province's top 70 companies...

commit themselves to further purchases ahead of Sunday's Russian presidential election. The Wig index fell 58.5 to 13,024.0...

Mexico slides 1.2%

Mexico City was weak at mid-session, taking its lead from Wall Street's performance and hurt further by selling pressure on the peso.

S Africa investors turn cautious

Johannesburg finished firm but in increasingly cautious trade ahead of a government announcement today on macro-reconomic policy.

Table titled 'FT/STP ACTUARIES WORLD INDICES' showing regional and national market indices for Wednesday June 12 1996 and Tuesday June 11 1996. Columns include US Dollar Index, Local Currency, and various regional indices.



Advertisement for HSBC Asset Management. Text: 'Our success is built on teamwork: advisers and investors in perfect harmony.' Includes HSBC logo and contact information.

Vertical text on the right edge of the page, including 'Weekend Russian...' and 'Diplomats & Bosnia poll ahead in Sep'.